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Alia Meets With EBRD President Jacques Attali

AU0811113891 Tirana ATA in English 0902 GMT 8 Nov 91

[Text] Tirana, November 8 (ATA)—The president of the Republic of Albania, Ramiz Alia, received at the Palace of Brigades on November 7 before noon, the delegation of the European Bank for Reconstruction and Development, headed by its president, Jacques Attali.

President Ramiz Alia acquainted the delegation with the grave economic and political situation Albania is currently undergoing. He said that the stability government is working, but its mission is complicated. We are faced with a hard winter, both for the supply with food items and for other urgent needs.

The president stressed that the government has put forward an important economic reform, which includes the privatisation of the economy, the liberalisation of running the enterprises and of the prices as well as the distribution of the land to the peasants. The application of this reform is the main current task of the country. Its interruption would further deepen the current crises.

Deputy Premier Gramoz Pashko, who was also present at the meeting, said that, unless the land is distributed, unless the economic reform is implemented, the country will be threatened with the lack of bread even in the future.

President Ramiz Alia pointed to Albania's need for economic aids, so that the reform be successful and the difficult situation overcome. I believe, the president said, that with the European Community and its economic, financial institutions, in which our country takes part officially, will find an understanding for the fulfilment of our demands. [sentence as received]

Then, President Ramiz Alia spoke of the crisis in Yugoslavia. He said that this is the sharpest problems of the present Europe. We hail the positive efforts made by The Hague conference to halt the conflict and find a democratic solution, but the results are not yet encouraging. In this conference it is being discussed mainly with the 6 republics of Yugoslavia. In Kosovo, Serbia has declared as illegal all the Albanian political, juridical, educational, informative institutions. The political forces and the Albanian people are counterposing this stand. It is paradoxal the fact that Serbia suppresses and does not recognise the national rights of the Albanians precisely at a time which requires autonomy also for the small regions in Croatia which are inhabited by Serbs. The Yugoslav crisis, the president said, poses an evident threat for us and for all the region of the Balkans.

In the meeting views were exchanged on the possibilitites of cooperation with the European Bank for Reconstruction and Development, on the relation of the political reforms to the economic one etc.

Jacques Attali thanked for the hospitality and the fruitful talks.

After the meeting, the president gave a press briefing for the foreign reporters.

Kapllani Assesses Results of Visit to Germany

LD0611182791 Tirana Radio Tirana in English 2230 GMT 4 Nov 91

[Announcer-read interview with Foreign Minister Muhamet Kapllani by editor Arben Moni in Tirana "following his visit to Germany"; date not given]

[Text] Mr. Minister, how do you judge the result of your recent visit to Germany, specially from the diplomatic and political viewpoint?

In my view, Mr Kapllani said, the official visit we paid in Bonn last week was very successful. If I were to comment on this success, I would say that it lies in several directions:

First, from the political point of view. In the talks we held with our German colleagues, we were of the same mind that under the current circumstances the Albanian-German relations must enter a more advanced stage in line with the current European developments and the aspirations of the peoples in both countries.

This turning point in relations assumes major importance bearing in view that following its unification Germany constitutes a great power in Europe in all fields—politics, economy, and other directions. Present day economists regard the German economy as one of the engines of the European, and even world, economy.

It is with this united Germany which, however, has its own problems, that we want to have close economic, technical, scientific, and financial relations.

And the same goodwill was demonstrated even by the German side. At the meetings we had with the German vice chancellor and minister of foreign affairs, Mr. Hans-Dietrich Genscher; with high officials of the economy; with the chairman of the foreign policy commission of the Bundestag, Mr. Stercken; with the mayor of Berlin, Mr. Diepgen; with German politicians; and with a large group of German businessmen from the biggest German trusts and companies, we were forced to believe that Albania has all the possibilities to overcome this difficult transition period, epecially in the economic field where the crisis is felt the most.

Germany has all the potents [as heard] and it also demonstrated its political will to help Albania through various ways and means, but the caution—look after yourself first and the others will help you—is valid here, too.

From the political viewpoint, this visit represented a key moment in our relations, for we explained to the German side that the ex-Albanian politicians and government officials of the monist regime who were all mummed [as heard] could never comprehend the message of friendship and cooperation addressed by Germany several years ago. And this short-sighted attitude by them, of course, had a negative impact on the Albanian-German relations.

But at present, when democracy is being established in Albania, with the establishment of pluralism, and with the orientation toward a market economy and the profound economic and political reform, all possibilities exist for the Albanian-German relations and cooperation to be given fresh impulse and to be raised to top levels it has never experienced before.

Talking of economic cooperation, as we were informed, you signed in Bonn, together with Mr. Genscher, an important agreement in the field of investments. What is its significance to the Albanian economy still in the grip of the crisis?

The agreement we signed in Bonn on the encouragement and protection of investments, said the Albanian foreign minister, is of special importance for the fact that it completed the legal framework for the encouragement and protection of German investments to Albania. In fact, the agreement is a bilateral one, but we are all aware of the fact that although it makes mention of respective investments, it is only the Germans who will bring their capital to Albania.

Foreign capital, as one of the German tycoons said, resembles a deer which gets worried and frightened even from the movement of the tree leaves, let alone from large noises and turmoils; it would leave never to come back. The above agreement will drive away from all German investors the fear and hesitancy to make investments in Albania on allegations that there is no safety for their capital in our country. There is no risk to them, for they are protected by a strictly formulated legal framework in conformity with the internationally recognized standards.

The agreement foresees not only the protection but also the encouragement of German capital through the creation of greater facilities to German investors. Not only German politicians but also the businessmen we contracted [as heard] praised this act which, as they told us, will lure German investors to come to Albania and make investments in different fields such as agriculture, tourism, mining industry, and other sectors of the Albanian economy unexplored to German capitalists and businessmen.

Different news agencies have reported that in the different meetings with top personalities of Germany the issue of the Yugoslav crisis and that of the Albanians was also discussed. Can you say ssomething more concrete in regard to this issue?

We naturally discussed with the German side about political questions of the day, said the Albanian prime minister [as heard], where principle place was occupied by the Yugoslav crisis, which has become a grave concern for Europe, for the Balkans, and the whole world, since this crisis—the fighting and the victims caused there—is continuing. Serbia has violated all the norms of the CSCE and the international norms, becoming a real threat to the Balkans and the whole of Europe.

The German side is concerned about these developments in Yugoslavia. It has maintained and still maintains a well-known stand within the European aspect, since the European Community has almost fully committed itself in this issue to The Hague conference. The German foreign minister, Mr. Genscher, said he hoped Yugoslavia could finally accept a solution which could allow it to be a part of Europe according to the documents, principles, and spirit of Helsinki and the Paris Charter.

This means that Yugoslavia must recognize the sovereignty, the principle of self-determination in those regions asking for it. The domination of one republic and one nation above the others must not be allowed. In this context, I would like to stress that we made it clear that the Albanians, who make up the third greatest population in Yugoslavia, have already declared through the referendum their desire for self-determination, sovereignty, and independence.

The Albanians think that every settlement of the issue of the Albanians in Yugoslavia is indispensible, since we have to do with the population of 3 million and that there can be no solution to the Yugoslav crisis without the settlement of the Albanian issue first. [sentence as heard] Second, we are of the opinion that the solution of this problem must be made in conformity with the European documents and not by means of violence [or] war, but through peaceful and democratic means, dialogue, and cooperation, in conformity with the CSCE principles which enable the harmonious coexistence of all nations.

Borders are now being transformed into symbolic frontiers rather than real barriers hindering the travel of people from one country to another. This does not in the least infringe the national identity of any country. It is under this light that the settlement of the Albanian issue in Yugoslavia and the Albanian issue in general must be settled.

Tropoje Flour Supply Exhausted; Situation Serious

AU0711153291 Tirana Radio Tirana Network in Albanian 1430 GMT 7 Nov 91

[Ilir Bucpapaj report]

[Text] This telephone report has been prompted by a talk with Halil Elezi, chairman of the Pluralist Executive Committee of Tropoje District. The situation in the district is very serious. The flour reserves in the town of Bajram Curri have been exhausted. The transportation of grain and other goods has been blocked for two days as a result of the blockade of the motor road at (?Llash) near Vau i Dejes in Shkoder District by local people demanding the solution of the problem of land flooded and damaged by the Vau i Dejes hydroelectric station.

In addition, the electricity installations of the town of Fierze were blown up by explosives yesterday evening, and this town woke up this morning without water, bread, or electricity.

This morning, large crowds of people in the town of Bajram Curri attacked the bakery and looted the bread, dough, and flour found there. The villagers of Brishe have blockaded the firewood supply for the town of Bajram Curri. The situation is extremely, extremely tense, Halil Elezi said, and I am pessimistic about its solution.

The situation in the district, it must be understood, has gotten totally beyond the state's control. One can see this in the shops of the towns and villages and in people's insecurity in their workplaces. This insecurity is evident everywhere. Many crimes, including murders, looting, and thefts have taken place in the district. There is insecurity and tension everywhere. The government must therefore take immediate measures to solve the most vital problems of bread, electricity, and security.

Alia Holds Talks With Liberal Party Leaders

AU0711152091 Tirana ATA in English 0952 GMT 7 Nov 91

[Text] Tirana, November 7 (ATA)—On November 6 before noon, the president of the Republic, Ramiz Alia, received at his office, upon their request, a group of leaders of the Albanian Liberal Party, headed by its chairman, Valter File. They briefed the president with the program, orientation, and commitment of this party for the development of democracy in Albania. The participants in this meeting also spoke on some of the immediate needs of the Albanian Liberal Party to normally carry out its activity to the good of social progress in our country.

Deputies Voice Concern Over Economy, Public Order

AU0611161991 Tirana Radio Tirana Network in Albanian 1430 GMT 6 Nov 91

[Text] The People's Assembly began its plenary session this morning at 1000. Dr. Kastriot Islami, chairman of the Presidency, gave the floor to Arben Imami, deputy chairman of the Democratic Party's [PD] parliamentary group, who expressed worries about economic difficulties and the stability of life in our country.

I protest, he said, against the manner of conducting the session in the last two days, because we acted according to procedure, and should not be considered only as a minority. We demand that the government inform the People's Assembly about the supply and economic situation in the northeast, and we, the PD, will support the government with all our strength. As for the public peace and the maintenance of order, he later said, we think it necessary to insist more firmly on the enforcement of the laws approved here in the People's Assembly, in order to oppose the notion that democracy means destabilization and violence. We also ask the assembly to discuss certain bills that the PD has submitted, especially those on disarming the population. The Ministry of Public Order should render an account of its work in establishing order.

Arben Imami also pointed out the PD's concern for the enforcement of the now-approved Land Law, because, he said, delays and unjustifiable procrastination have been noticed. We think, he later continued, that the roundtable of political parties should continue in the future. As for the warning of a strike by the employees of radio and television, we think that it is also directed against ourselves as an assembly. We must therefore responsibly solve the problems they have raised, especially those concerning the establishment of a nonparty radio and television, objective and realistic reporting, the composition of a managing council, and new directors for this institution.

Namik Dokle, chairman of the Socialist Party's [PSSh] parliamentary group, talking about the procedure for the People's Assembly's proceedings, said that the session had been conducted in accordance with the rule book. The view of the PD's group that they had been deprived of their right to express thei: opinions therefore does not hold water. The statement of the PD's parliamentary group, he later said, raises problems that are familiar to the assembly, because they have been repeatedly raised, even by PSSh deputies. However, we are pleased that the deputies of the PD are united with us in these concerns, such as those involving the northeast.

Talking about the Land Law, Namik Dokle underlined the need to implement this law as soon as possible, in order to stabilize the situation in the countryside. He put forward the need for greater care on the part of all responsible bodies, including the government, in providing proper living and study conditions for students. Disarming the population is a problem that demands attention, and we agree that a bill should be discussed at the most suitable time. However, we think that a major campaign should be organized to disarm those people carrying unlicensed weapons, because they pose a threat to citizens' lives and safety.

In its working practices, the PSSh has entered into constructive dialogue with other parties, and there has in this sense been progress at the roundtable, Namik Dokle said. This practice should develop better in the future.

In connection with the problems of radio and television, he said that the Assembly Mass Media Commission has held meetings at which many issues have been discussed, and where specific tasks have been set. However, there is no reason why the Assembly should deal with every problem. We demand that radio and television should not pursue the politics of any party, but should fairly and accurately inform the public. He also spoke about the need for everybody's greater commitment to work in order to make possible the enactment of the economic

reform program that the assembly is approving. Under conditions in which stability is threatened, the relevant authorities must work to enforce the law, so that people may once again be guaranteed peace.

Jani Jani, chairman of the Omonia parliamentary group, also shared the worries and problems raised by the two parliamentary groups, calling for their solution as soon as possible.

Dr. Kastriot Islami, chairman of the Presidency, considered the problems raised as fair, and said that the Presidency will meet to decide the order in which they will be discussed. The Presidency of the People's Assembly has rigorously applied the approved rule book and all the procedural rules for the assembly's work. In this context, I initially hoped that we would calmly and openly discuss Deputy Imami's interruption yesterday, without any form of pressure. The Presidency will not allow anarchy and pressure in the assembly, because the majority of deputies do not want this.

After the recess, Dr. Islami said that the Presidency, having examined the comments of the chairmen of the parliamentary groups, had decided that the assembly will discuss this afternoon deputies' worries about various problems. The assembly went on to discuss the clauses of the Bill on Enterprises. After lengthy discussion, comments and changes, the 14 articles from Article 45 to Article 58 were approved. The deputies approved the bill. The next session starts at 1700 this afternoon.

Council of Ministers Approves Tax, Police Bills

AU0611200491 Tirana Radio Tirana Network in Albanian 1700 GMT 6 Nov 91

[Statement by the Council of Ministers' Press and Information Directorate issued in Tirana on 6 November]

[Text] The Council of Ministers, chaired by Prime Minister Ylli Bufi, examined today, on 6 November, a package of laws connected with the enactment of the economic reform. These bills will be submitted to the People's Assembly for approval.

The members of the government first discussed and approved the Bill on Prices and Tariffs. This bill envisages the liberalization of prices and tariffs throughout the economy and their determination on the basis of supply and demand. All national and foreign physical and legal persons who engage in economic activities in our country will have the right to determine prices and tariffs. The Council of Ministers or the Finance Ministry will determine the prices and tariffs of a limited number of goods and services of fundamental importance for the people's living standards. When suitable conditions arise, i.e. when supply and demand are balanced, these prices and tariffs too may be liberalized.

The Bill on the Taxation of the Turnover of Goods, approved at this meeting, envisages that all legal persons engaging in economic and trading activities will be obliged to pay taxes on the turnover of goods. This tax will be imposed on all goods sold in Albania, regardless of where they are produced, apart from goods sold in the retail trade network. The bill determines the level of tax to be paid by the seller of the goods, as well as penalties for evading the obligations laid down in this bill.

The Council of Ministers also discussed a Bill on the Taxation of Profits, which is a fundamental legal act in the fiscal and taxation reform and a highly important constituent element of the economic reform. This bill, based on the principles of the market economy, determines the fiscal and tax obligations of economic bodies on the lines of similar legislation in European countries. The bill envisages a preferential taxation policy aiming to stimulate foreign investment in Albania. Thus, the bill envisages tax exemption or concessions for joint enterprises or those with mainly foreign capital. This bill was also approved by the government.

This meeting also discussed and approved the Bill on (?Duties) in the Republic of Albania, the taxation of monopoly goods. According to the bill, these taxes will be imposed only on such goods as cigarettes, alcoholic drinks, and oil byproducts, as in other countries of Europe. The bill lays down the way in which taxes will be calculated on these monopoly goods, whether produced at home or abroad, and when this duty will be introduced. This bill also includes elements of the government's social policy, because it discourages the consumption of these articles with well-known harmful consequences for people's health.

The Bill on the Taxation of the Incomes of Physical Persons in the Private Trade, Handicrafts, and Service Sector, which was approved by the government, legally regulates these persons' fiscal relations with the state. The articles of this bill lay down who will be subject to this tax, the calculation of proportional or fixed tariffs, the schedules for their payment, [words indistinct], and describes violations of this law and the penalties these incur.

The Bill on the Tax System in the Republic of Albania, that was discussed and approved by the government, is another important legal act representing a step toward the market economy. It is based on the idea that all citizens must contribute toward covering the expenses of the state. According to this bill, the tax system consists of national taxes paid into the state budget and local taxes paid into local budgets. National taxes include taxes for consular services, the running of foreign cars, the use of television and telephone equipment, court and notarial services, and registration for higher education. Local taxes include stamp duty, taxes for the registration of various kinds of activity, street cleaning, a market tax, taxes on weighing and measuring, road use, and hunting. The bill determines the level of taxes, their manner of payment, and penalties for their evasion.

The Council of Ministers also discussed the Bill on the Administration of Taxes and Imposts in the Republic of

Albania, which determines the authorities for the administration of taxes and imposts, which are the Finance Ministry's Tax Directorate and its district branches. The bill lays down these authorities' duties and the way taxes and imposts are to be assessed.

Today's meeting of the Council of Ministers also discussed bills on forces to restore order, the creation of police units to combat terrorist groups and elements, on forests, forest wardens, and on banking transactions within the country in foreign currency and precious metals. These bills will also pass to the People's Assembly for approval.

Nano Stresses Dissociation From Communist Past

AU0611090291 Tirana ZERI I POPULLIT in Albanian 27 Oct 91 pp 1-2

[Interview with Socialist Party Chairman Fatos Nano, by Perparim Xhixha; place and date not given: "The Socialist Party Totally Dissociates Itself From the Albanian Workers Party as a Monist Party, and From the Policies and Errors of the Party and Enver Hoxha"]

[Text] [Xhixha] Comrade Fatos, the meeting of the Albanian Socialist Party [PSSh] Managing Committee decided to hold a national conference on 25 November. The PSSh's members and supporters, and also I imagine the country's other political forces, are interested in learning in advance a little more about the purpose of this assembly of Albanian socialists. Can you tell the public something about this?

[Nano] The meeting was an expanded aktiv of the PSSh's Managing Committee and of the leaders of its district forums. The aktiv examined the documents for the party's first national conference, the draft resolution to be submitted for its approval, and the basic programs for the PSSh's political, economic, and social work. These documents have now been subjected to extensive public and party discussion among the masses of our members and supporters, and this debate will deepen even more in the run up to the national conference, with aktivs and intensive discussions in the districts and at the grass roots.

The purpose of this assembly of Albanian socialists is to analyze the process of the formation and consolidation of the PSSh since its foundation on 13 June 1991, and to approve the basic program, the social program, the new statute, and the other documents that determine the political character of our party as a force of the democratic European Left that is able to support, encourage, and direct the course of the comprehensive reforms and the integration of Albanian society in the democratic and civilized world. This assembly will provide a clear and unequivocal response to the necessity of an alternative of democratic socialism in the pluralist spectrum of Albania, the party's total dissociation from totalitarian communism and socialism of the Marxist-Leninist-Enverist kind, and the need for an honest political struggle among the opposition forces that will help to institutionalize a balanced democracy for the sake of national conciliation and the unity of the Albanian nation.

[Xhixha] Albanian socialists consider that they should not feel "guilt" for the past, on the basis of the fact that they have joined a party that is new in form, content, and its organizational structures. How would you comment on this matter?

[Nano] This question is tied to the entire political process that led to the creation of the PSSh, which, like all the parties created in the country since December 1990, is a product of objective and subjective factors of the time and the socioeconomic and political transformations that took place in Albania in the wake of the democratic revolutions that swept East Europe after 1989. In assessing the relationship of people and today's political forces in Albania to the past, one must avoid both prejudices and guilt complexes as well as disloyal speculations for the purposes of electoral advantage. Both such attitudes hinder democratic processes in Albania, because they obstruct the reform of the mentalities that the one-party dictatorial system cultivated in people and the continuing reform of all political parties as Albanian realities change.

People must finally and clearly understand that the 10th PSSh Congress had a two-fold character and mission. First, it was to mark the political and organizational conclusion of the Albanian Workers Party's [PPSh] mission and the closure of a complicated party-state chapter in Albania's postwar history. Second, always under the pressure of reformist forces and honest people inside and outside the party, it was to turn itself into the founding congress of a new party with a healthy socialist democratic orientation, entirely different from the PPSh and other communist parties. This was an honest and public political and legal act that crowned a process that began a long time ago and from the institutional point of view freed the honest forces of the PPSh and its supporters from the complexes of the dictatorship and from their anxiety lest the past should repeat itself and our fragile democracy degenerate into national anarchy.

The acceptance of political pluralism in December 1990; the drafting and defense in February 1991 of an electoral program that in its basic objectives was entirely different from and contrary to the PPSh's general line and practice hitherto; and the membership's mass discussion and approval in April-May 1991 of the new and essentially socialist draft program that was submitted to the 10th Congress were all important steps that made possible an initial dissociation from the PPSh and Enver Hoxha and the PPSh's departure from the Albanian political stage as an obsolete political force, incapable of responding to the people's interests and the progress of the homeland.

The 10th PPSh Congress also marked the party's organizational end. Through struggle and harsh criticism between reformist and conservative forces, the congress succeeded in expelling almost all the former party caste

and others whose characters were seriously compromised. The fact that only three members of the former PPSh Central Committee remained in the PSSh's leadership is a sign of the depth of the changes that took place and have now spread to a renewal of all the party's structures down to the grass roots.

In our view, such a course of events made it necessary to dissolve the former party as a precondition for the foundation of the PSSh. What the founding congress achieved met with massive approval as the work of the most progressive, reformist, and democratic forces, and of honest people, inspired and led by the ideals of democratic socialism, who had put forward many proposals, including the new party's name. This process did not stop, but was continued with the work on the party's programs on the basis of the rich experience of European socialist and social democratic parties, with whom the necessary contacts and exchanges were established.

The six months that have elapsed since the PSSh's founding congress have served as a general test for the members of the former PPSh, giving them the opportunity and the necessary time to judge freely and with full conviction, on the basis of the new programs, whether to join the PSSh or not. This is the reason why we were in no hurry even to change members' personal documents. This process has now begun and preliminary data show that, with departures and new admissions, the PSSh has more than 100,000 members and that many other supporters from all strata of society, whether "depoliticized" or not, are gathering round them.

[Xhixha] How would you further argue that the PSSh is a new party and that your statements are not a "change of clothes?"

[Nano] The PSSh is not a communist party, i.e. a party of the extreme left, because:

First, it does not defend Marxist-Leninist ideology, but the open socialist ideals of freedom, justice, social solidarity, humanism, and the Albanians' national identity within the bosom of the democratic community of civilized peoples. It condemns the rigid domination of ideological and political dogma, even of the "democratic" kind, in culture, art, science, and in morality, religion, and social relationships.

Second, the PSSh does not defend the "dictatorship of the proletariat," and condemns the inquisitional conduct of the class war as the "moving power of social development." It uses only democratic means and methods within a parliamentary framework and the rule of law in order to protect the disadvantaged strata of the urban and rural population, whether working people, intellectuals, or proprietors.

Third, The PSSh is against the absurd nationalization and socialization of the economy, impersonal ownership, and the depersonalization of the interests of the individual. It strives to institutionalize a market economy with a social dimension, in which freedom of private as well as public ownership and initiative is guaranteed, with competition on equal terms between the two through a preservation of the programming, supervisory, and balancing role of the state in fairly distributing wealth on the basis of the real contribution of the entrepreneur and a fiscal system that does not exclude but integrates citizens in society.

Fourth, the PSSh condemns the isolationist concepts and practices of "independence through autarchy" and "relying solely on our own resources." It favors the country's total integration in the world economy on the basis of the concept that "independence is realistically secured through interdependence" and of all modern forms of international cooperation that establish partnership between countries and entrepreneurs, without ignoring the need to revive the national economy, but appreciating the need to activate its competitive and complementary natural resources on the world market.

Thus, in its program and all its activities, the PSSh is a serious political alternative with a broad social basis that addresses itself to all those who are interested in the healthy democratic development of the Albanian nation, all those who need social protection, and who aspire for freedom, equality, social justice, and human solidarity. Can you have guilt or inferiority complexes about such noble and honest commitments to the national cause?

[Xhixha] Do you think that the PSSh will repudiate everything from Albanian reality in the past? If not, what will you preserve from the last half century?

[Nano] A total denial of our recent postwar history, which is inevitably tied to the PPSh's work and political line and to its leader Enver Hoxha, would be neither objective nor accurate. Indisputable historical facts testify to the sweat and blood shed by honest individuals and our long-suffering people in the last half century. The Albanian Communist Party and Enver Hoxha played a well-known historical role in organizing and leading the Albanian people's victory in the National Liberation War. During the postwar decades, our backward and feudal country saw progress, overcame many difficulties, accomplished significant changes, and created indisputable material and spiritual values. One can in no way discount the socioeconomic reforms after the liberation: soil improvement and swamp drainage; the construction of industrial structures and an energy network that were previously entirely lacking; the elimination of illiteracy and people's mass education; the country's electrification; the social security system for working people, etc. We are therefore a people and a nation who are prepared for the challenges of the present and the future precisely because we have, under highly unfavorable historical conditions, created and protected stable values and traditions, not only from the distant past. This is the distinction that separates us from other political forces that defend the view that all our recent history has been a regression, filled with nothing but mistakes and crimes.

[Xhixha] In short, will we dissociate ourselves entirely from the policies of the PPSh as a party-state, and from the errors of the party and Enver Hoxha? What is contained in the draft resolution that has been prepared and will be discussed in the party?

[Nano] This is obvious and beyond discussion. The PSSh occupies the same position as the other parties in Albania regarding the need and duty to assess with objectivity and realism the policies and activities of the PPSh, especially its top most leadership, led by Enver Hoxha, and it has an honest political commitment, without prejudices. We consider that:

First, the party state system of totalitarian communism was historically a total failure, and is antidemocratic. It has brought serious consequences to all the countries of the East, especially our own, where it took a most extreme form. The political line of the PPSh as a whole and of Enver Hoxha in particular and the road of development that was chosen or imposed, led to the gradual petrification and exhaustion of our real material and spiritual resources and of the country's progress, and totally isolated Albania from the realities of the civilized world.

Second, the PPSh, which claimed to represent and protect the interests of the workers class, left this class, alongside its close ally, the peasantry, in a virtually destitute state.

Considering the intelligentsia to be its helpmate, the PPSh used intellectuals to the extent they were necessary, and where they were needed. Its relations with this stratum were frankly pervaded by continual suspicion, which led to the abuse of the real intellectual potential of the Albanian nation and people.

The struggle to create a new man was accompanied by the depersonalization of the individual through excessive ideology, which was proclaimed to be the essence of the individual. Individuality and personal initiative and interests were ignored for the sake of collectivization and the general interest.

Third, for decades on end the PPSh and Enver Hoxha conducted in Albania an incessant series of experiments that affected industry, agriculture, education, art, culture, defense, etc., and which not only did not justify themselves but led to the adoption of a distorted economic policy that impoverished the country, "killed" interest in work, and transformed state property into the property of nobody.

Fourth, the cult of Enver Hoxha dominated not only the party, but all spheres of the country's life. His ideas, which were based on theoretical Stalinist concepts applied with a pronounced extremism, could not be contested, not only in questions of ideology and politics, but even in economic development, justice, the country's defense, education, culture, science, and social and moral problems. The dictatorial authority he imposed on the party's leadership led to the suppression of free thought and a subjective policy in the appointment and movement of cadres that encouraged the incompetent, nourished the cult of the individual and of the Stalinist administrative and command system of managing the country, and denied fundamental human rights and freedoms.

Fifth, The declaration of the class war as the main motive power of society in its advance toward communism was considered Enver Hoxha's "discovery and contribution" to Marxist-Leninist theory. This was used to justify periodic purges in the party and the state pyramid. Party punishments, which were inevitably followed by state punishments, not only inhibited the expression of contrary opinions but prevented any sensible and honest discussion about the country's real problems. They created new social antagonisms, sowed fear, fostered formalism and servility, and made a standard practice of false reports on work and the general situation from party leaders.

Sixth, The PPSh and Enver Hoxha, especially after the sixties, devised and pursued a mistaken foreign policy that genuinely did "preserve" the country's independence but led it into isolation, and hampered Albania's progress and development by detaching the country from its international context and from the pan-Albanian contribution and commitment to the national cause.

The social base that represents the ideals, interests, and objectives expressed and defended by the PSSh obliges the party to determinedly shed all the mistaken theoretical and practical baggage of the past that is indissolubly tied to the name of Enver Hoxha. The PSSh is aware that an objective judgment of the figure of Enver Hoxha, in all his complexity and with all his contradictions, is an involved task and cannot be achieved by insults, because he is tied to the history of our people for the last five decades and to all Albanians within and beyond the border. It is impossible for the PSSh alone or any other political force to make this judgment; nor must it be expected to come solely from historians and researches in the documents of archives. All the country's parties, classes, and social strata will make a final assessment of Enver Hoxha.

Time and the natural course of events has already in fact begun this assessment. It is not long since Enver Hoxha was subjected to public judgment, and the aura that surrounded him for his most orthodox believers has now vanished. Current and future developments and the passage of time, which will distance us from the "PPSh epoch," will give us a realistic opportunity for the most accurate assessment that is possible of the place and role of the PPSh and Enver Hoxha in our history of the last half-century.

[Xhixha] Do you think that all the PSSh's members will embrace this political position?

[Nano] We presented and discussed these political stands at the PSSh's founding congress, and we have

continued to discuss them at length and in public with the party's members and supporters. This process, like the congress itself, has involved open and constructive debate, which has been fruitful in accomplishing the healing process, not only for our party, but for the whole of Albanian society. Even many Albanians in Kosovo and abroad have taken part in this analysis.

Of course, not all former members of the PPSh have swallowed or have totally embraced these judgments. We think that it is everybody's legitimate right to make his judgment with the freedom of thought that democracy has brought to Albania. We therefore do not prejudge either those who are prone to nostalgia, the "irreparable conservatives," or the liberals and "weary reformers," on the condition that they are honest in developing their logic.

Meanwhile, we are able to affirm that the overwhelming majority of PSSh members, old and young, workers, peasants, and intellectuals, have now become aware of the need for this "catharsis" or "exorcism" of society and the Albanians, in order to get rid of this evil inside ourselves and to dig up its roots wherever they may be found in this process of transition.

In essence, the intellectual equilibrium that stems from realistic and logical judgment of oneself and others and of the past and future of the Albanian family is a vital precondition for the political equilibrium that the progress of the deep democratic reforms in Albania demands. Even many former prisoners and victims of political persecution, innocent victims of the one-party dictatorship, have admitted this to us and to the public.

Prime Minister Dimitrov Nominates New Government

AU0811121191 Sofia BTA in English 1153 GMT 8 Nov 91

[Text] Sofia, November 8 (BTA)—At a sitting of parliament today Mr. Filip Dimitrov, the leader of the Union of Democratic Forces (SDS), which won the recent elections in Bulgaria, nominated the composition of his cabinet in the presence of Bulgarian President Zhelyu Zhelev.

Mr. Dimitrov moved certain structural changes in the new cabinet. The Ministry of Foreign Economic Relations would be closed down and its functions would be taken over by other institutions. The Ministry of Education and the Ministry of Science and Higher Education will merge into a Ministry of Education and Science. A Ministry of Regional Development, Housing and Construction would be set up.

Following are the nominees for the new cabinet: Stanislav Dimitrov for minister of agriculture, Aleksandur Aleksandrov for minister of transport, Stoyan Ganev for minister of foreign affairs, Nikolay Vasilev for minister of education and science, Valentin Vasilev for minister of the environment, Elka Konstantinova for Minister of Culture, Mikhail Danov for minister of labour and social affairs, Ivan Kostov for minister of finance, Ivan Pushkarov for minister of industry, trade and services, Nikola Vasilev for minister of health, Dimitur Ludzhev for minister of defence, Yordan Sokolov for minister of the interior, and [words indistinct] minister of regional development, housing and construction.

Nikolay Vasilev and Stoyan Ganev were named deputy prime ministers.

New Assembly Chairman Savov Interviewed

AU0711143391 Sofia DEMOKRATSIYA in Bulgarian 4 Nov 91 pp 1, 3

[Interview with Stefan Savov, "candidate of the Union of Democratic Forces for the post of National Assembly chairman," by Neven Kopandanova; place and date not given: "I Dislike Populism and I Loathe Demogogy"]

[Excerpts] [Kopandanova] Could Stefan Savov, who was once forced to earn his living as a construction worker and subsequently as a translator, imagine that he would one day be nominated for the post of National Assembly chairman?

[Savov] I have always been interested in political science, history, and sociology, namely, in all those subjects that form the training required for a politician, regardless of the fact that I was forced to earn my living with other jobs. [passage omitted]

[Kopandanova] You were nominated for the post of Grand National Assembly chairman as early as in 1990. Do you think that you would have changed something in the work of the legislature if you had been elected?.

[Savov] If they had elected me at that time, it would have meant that the Bulgarian Socialist Party [BSP] had understood even at that point how things were developing and that change was underway. Only under such circumstances would I have been capable of changing something about the work of the Grand National Assembly. I am afraid, however, that even today the majority of the Socialists are not willing to accept a historical fact.

[Kopandanova] Are there any parts of the experience you gained at the Grand National Assembly that you consider valuable and that you would easily and willingly transfer to the new National Assembly?

[Savov] I am convinced that the work of the Grand National Assembly was affected by numerous shortcomings and weaknesses. There is hardly anything I would willingly and easily take over. Nevertheless, it is a fact that we, the Grand National Assembly deputies, did gain some legislative experience that is very important.

[Kopandanova] There are rumors that the Union of Democratic Forces [SDS] legislative group intends to amend the code of regulations adopted by the Grand National Assembly, applying it in a less democratic manner. What is the purpose of the amendment?

[Savov] It is no secret that we proposed a new code of regulations. This is natural because the former regulations applied to the work of the Grand National Assembly that had its specific functions. We would like the legislature to become more businesslike, less rhetorical, but more efficient in its work. I do not think that this would involve more undemocratic methods. As a matter of fact, back slapping, walking hand in hand in the lobby, and excessively familiar relations are by no means an indication of democracy.

[Kopandanova] What kind of person should the National Assembly chairman be, in your view, and which of your habits and natural inclinations would you try to restrain if you assume the post?

[Savov] I think that the chairman of the Assembly should be a personality capable of ensuring that debates are conducted in an authoritative and just manner. It goes without saying that the chairman should be familiar with legislative practice. It is difficult to conduct debates while being aware that one is not allowed to take part in them. However, I am convinced that in this era of change that we are living through, in this era of transition from a totalitarian regime to a constitutional legislative system, the National Assembly chairman should be a man entirely dedicated to the cause of democracy and should struggle for its implementation. If I am elected to this post, I will try to refrain from any actions and behavior that might affect the prestige of the institution.

[Kopandanova] Are you afraid of the opposition's behavior? Is there a man within the opposition for whom you would not hesitate to vote, should he be nominated for the post of National Assembly chairman?

[Savov] I am not afraid of the opposition, though I am convinced that many BSP National Assembly deputies have not yet resigned themselves to their new role and are still far removed from democracy. Is it not true that all of them, or nearly all of them, were members of a party that both in theory and in practice was a convinced supporter of dictatorship and totalitarianism? For precisely this reason, I could not easily find anyone among the BSP deputies for whose election to the post of National Assembly chairman I would vote without hesitation. Last but not least, I would like to express the hope that numerous Socialists will gradually begin to understand and sincerely accept the order of the times.

[Kopandanova] When Dr. Dertliev was presidential candidate, he described a conversation with his granddaughter, who allegedly urged him: "Grandfather, when are you going to be president so that melons can be cheaper?!" Which of the pledges to your voters will you try to keep once you have assumed your post in the National Assembly?

[Savov] Throughout the whole election campaign, I never assumed any commitments related to the prices of melons or bananas. I dislike populism, and I loathe demagogy. I tried, however, to explain to my constituents that they are expected to contribute to the establishment of a new political order, a new state system. This beginning will not be easy. Nevertheless, it is necessary, and we have already wasted two years. It is the task of the present National Assembly to put the reform in motion and pass the laws that will finally implement a true change of system.

[Kopandanova] Thank you and good luck to you!

SDS Spokesmen on Expectations of New Assembly

AU0711141591

[Editorial Report] Sofia BULGARSKA ARMIYA in Bulgarian on 4 November on pages 1 and 3 publishes two interviews under the rubric "What Do You Expect From the New National Assembly?" The first, "Changing Roles in Political Theater?," is a 1,000-word interview by Major Lyubomir Denov with Mikhail Nedelchev, spokesman for the National Coordinating Council of the Union of Democratic Forces [SDS]. The second, entitled "I Do Not Envy the Winners," is a 1,000-word interview by Major Nikolay Tsvetkov with Filip Bokov, deputy chairman of the Bulgarian Socialist Party [BSP]. The places and dates of the interviews are not indicated.

In the first interview, Mikhail Nedelchev points out that he expects the new National Assembly "to correct certain imprecise legislative moves by the Seventh Grand National Assembly." He specifically stresses that this applies to the Foreign Investments Act and the elimination of the difficulties in returning the land. He supports the appointment of a civilian minister of defense and points out that, "from what we understand, the generals do not object to such a step."

Nedelchev goes on to point out that the National Assembly will have to change its style of work and adopt "much stricter rules of procedure." This will apply to the "manner in which the floor is given" and "the form of political discussion."

Asked about the activity of the Movement for Rights and Freedoms [DPS], Nedelchev says:

"I want to express my absolute satisfaction with the manner in which the colleagues from the DPS participated in the first talks related to the work of the new legislature. This applies to their well-balanced approach, toleration, and, if you will—wisdom."

In conclusion, Nedelchev points out that "the BSP is our main opponent in the legislature. In the great dispute, we rely, first of all, on our own forces, and of course, on the support of the DPS."

In the second interview, Filip Bokov points out the high intellectual level of the BSP legislative faction and says: "All our deputies have higher education and are good specialists in several sectors."

Asked about the possibility of holding new elections soon, Bokov says: "I cannot commit myself and predict how long the new National Assembly will function. Its life will depend on the work it does. However, because of the changes that we face, I do not think that this National Assembly will last a full mandate period." Moreover, Bokov stresses that he "does not envy the winners, because they will have to adopt difficult decisions, primarily in the sphere of the economy. This will prompt social shocks and will further disappoint the people who already are disappointed anyway. Then it is possible that public opinion will support the holding of new elections. However, it is difficult to envision when all this will take place."

Bokov says he does not believe that cooperation between the SDS and the DPS will last long. He emphasizes that "for the time being the DPS supports the SDS. However, the SDS entered the legislature with a rightist program that does not correspond to the social interests of the DPS supporters. Thus, I am not sure whether the DPS will support the new government."

Turning to the upcoming BSP congress, Bokov rejects the possibility of a split within the BSP. Nevertheless, he points out that even if "the different currents within the BSP organize themselves, this will not be fatal to the party's existence."

In conclusion, Bokov points out the importance of the national security issue and stresses that "the principles of national security must be adopted by the National Assembly." In this context, he says that the BSP will "insist on rapidly adopting the Armed Forces Bill to remove the Armed Forces from the field of political passions."

Report Speculates on Renaming, Future of BSP

AU0711190991 Sofia DEMOKRATSIYA in Bulgarian 4 Nov 91 p 2

[Neven Kopandanova report: "Will the Bulgarian Socialist Party Be Renamed Again?"]

[Text] We recently learned that the Socialists named their legislative faction Group for Social Democracy. This is not an accidental act likely to indicate the greater social orientation of the legislative actions expected from the Bulgarian Socialist Party [BSP]. The Socialists are undoubtedly aiming at a long-term goal.

They did not elect Dr. Dertliev president. If this had happened, we would certainly have faced a Social Democratic Party nearly as strong as the BSP. Dr. Dertliev and his upper crust were deliberately and assiduously lured and deceived with the delusion that they would be capable of splitting the BSP and, thus, attracting part of the more radically minded members. However, none of this happened. Relying on the personal ambition and essentially Bolshevik mentality of the Bulgarian Social Democratic Party's leader, the Socialists promptly and resolutely defeated their most dangerous rival. Dr. Dertliev is already a political corpse. His party is divided and confused.

All the rest is easy. The BSP National Assembly deputies already define themselves as a legislative group for social democracy. This will be constantly repeated and instilled into the minds of BSP members throughout the period preceding the party congress that is expected to open in December 1991. It is nearly certain that the congress will decide to rename the party. Those who are designated to propose the change of name will rely on the argument that the party's actions are social democratic anyway. They will subsequently try to join the Socialist International, to which the Bulgarian Social Democratic Party currently belongs. The Socialist International, in turn, would provide the BSP with an opportunity to establish its legitimate status on a European and worldwide scale, an advantage that has, so far, been denied to the Bulgarian Socialists, because any educated person in the world realizes that the BSP is nothing but the Bulgarian Communist Party.

We cannot deny that military discipline is one of the communists' strong points. In addition to this, they still own a tremendous apparatus, iron-strong discipline, and elaborately developed strategy and tactics. In their first attempt to remodel the party, they could not deceive anyone. Today, however, they have prepared a new disguise. Their forthcoming congress is certainly not likely to limit itself to casting off the outdated costumes and obsolete faces, but will place a new kindly smiling mask on the face of the old party.

Miners Offer Proposal To Increase Production

AU0711140991 Sofia PODKREPA in Bulgarian 4 Nov 91 p 1

[Emil Tonev report]

[Text] The miners will produce an extra 200,000 tonnes of coal before the end of the year, which will at least partially compensate for the interruption in Soviet coal deliveries. In 1992, the miners will save the state budget half a billion leva in the form of reduced subsidies for the industry. The only condition for this is for the government to accept the structure for the coal mining industry proposed by the Podkrepa Miners Trade Union Federation.

According to the federation's experts, the shock to the national fuel and energy balance would not have been so great if the restructuring of the industry had been completed in good time. However, the sluggishness of the Committee on Power Supply and the close dependence on the Soviet supplier's goodwill confronted the energy industry with an accomplished fact. As for the proposal of the Committee on Power Supply that Deputy Prime Minister Tomov described as "revolutionary," the miners trade union rejects this as yet another attempt to retain the old centralized system with the same old leaders and methods of work, while only changing its name.

The miners are absolutely agreed that all the divisions of the coal mining industry must be autonomous, with no administrative "top brass." In their view, this is the way to make the industry efficient and to increase production.

The Executive Council of the Podkrepa Miners Trade Union Federation will appeal to the International Miners Federation, of which it is a member, for urgent assistance in overcoming the coal shortage.

Ruse Issue Further Mars Relations With Romania

AU0711192391 Sofia BTA in English 1844 GMT 7 Nov 91

[Text] Sofia, November 7 (BTA)—A National Day for Environmental Protest was marked in Ruse (the fourth largest Bulgarian city) which has been exposed to pollution from the Chemical Works in the Romanian town of Giurgiu for ten years now. Correspondents report that thousands of people from all over the country flocked to the protest action. They called on authoritative international environmentalist organizations and institutions to intervene for the closure of the Romanian installations polluting the Danube Valley. Yet another Bulgarian town, Silistra, is systematically polluted by the Metal Works in the Romanian town of Calarasi. There are reports that today Silistra received another dose of pollution. The protest actions culminated in a grand Ecorock Festival which featured Bulgarian and foreign pop and rock stars. The festival was attended by Bulgarian writers, poets and MP's [members of parliament]. The participants cut off the approaches to the Danube Bridge.

The Romanian ambassador to Bulgaria delivered a note saying that the Romanian minister of the environment Marcian Bleahu had canceled the visit which he was due to start to Bulgaria tomorrow. Mr. Bleahu was invited by his Bulgarian counterpart Dimitur Vodenicharov to discuss the problems of environmental cooperation and sign an intergovernmental convention on environmental

protection cooperation. The convention was to be signed here on Friday. Yesterday, however, the Romanian Ministry of Foreign Affairs issued a declaration expressing concern over the initiatives and the Ecorock Festival in Ruse.

At its press conference today the New Social Democratic Party (NSDP) adopted a declaration demanding that the Bulgarian Socialist Party (formerly Communist Party) be outlawed and that Bulgaria be decommunized. The declaration also urges that administrative measures be taken to check tendencies to capitalize on political power. The NSDP believes that these issues should be settled by the National Assembly.

Bulgarian families from the Ukraine who want to educate their children in their homeland, emigrated to Bulgaria. At the moment they are being provided for by the Ministry of Labour and Social Affairs and the Ministry of Education.

There is a danger of a viral hepatitis epidemic in the region of Gabrovo (central Bulgaria) where 330 people have contracted the disease since January. Experts of the local Institute of Hygiene and Epidemiology list among the main reasons are poor sanitation at schools and enterprises and the shortage of medicine.

At his last press conference today Prof. Ivan Chernozemski, minister of health, said that he [words indistinct] civilized and professional transition to a different type of system, to bring Bulgarian health service in line with international standards and to attract young and promising specialists. Mr. Chernozemski agreed that doctors are "disgracefully low paid."

Prof. Aleksandur Yanchulev, mayor of Sofia, said today that the foreign aid agency has helped solve the problem of Sofia's milk supply. The agency granted 300 tonnes of powder milk which will be processed and sold at lower prices than fresh milk.

The five-pointed star will be removed from the Sofia emblem and it will be restored to its original design of 1911.

At a press conference today Mr. Dimitur Ludzhev said that he did not rule out the possibility of new elections being held in spring. The elections will probably be initiated by the Bulgarian Socialist Party which is "losing membership and money and will certainly try to find a way out." Mr. Ludzhev said that his participation in the future cabinet depends on Mr. Filip Dimitrov, Bulgaria's premier designate.

Savov Addresses Ruse Protestors

AU0711205591 Sofia BTA in English 2015 GMT 7 Nov 91

[Text] Sofia, November 7 (BTA)—In a short address Mr. Stefan Savov, chairman of the National Assembly, conveyed the greetings and sympathy of Bulgarian President Zhelyu Zhelev to the people of Ruse and the organizers of today's protest action, his concern over the future of the city and his assurances that the Ecorock Festival will draw the attention of the international community. At the same time the president expressed his alarm that these unpleasant and grave environmental accidents cast a shadow on the otherwise good relations with the Romanian people.

Mr. Savov stressed that the presence of a group of MP's [members of parliament] lends weight to the national day of protest. Parliament may ask Bulgaria's new government due to take office tomorrow to give priority to the Ruse problem. The chairman of the National Assembly recalled that Bulgaria had been plunged in an economic, political, moral and environmental crisis. The most important thing now is to start the changes which will naturally benefit Ruse as well.

Today the people of Silistra held an improvised rally expressing their support for Ruse. The participants in the rally said that they would continue to struggle for the settlement of the problem of transboundary pollution from the Metal Works in the Romanian town of Calarasi.

The local branch of the Union of Democratic Forces in the Black Sea town of Burgas has decided to hold an Ecorock Festival similar to that in Ruse. Its purpose will be to focus public attention on the dangerous condition of the environment in Burgas.

Trade Exchange Agreement Signed With Lithuania

AU0711205391 Sofia BTA in English 2011 GMT 7 Nov 91

["Bulgaria, Lithuania: Promising Start of Cooperation"—BTA headline]

[Text] Sofia, November 7 (BTA)—This evening Mr. Atanas Paparizov, Bulgaria's minister of foreign economic relations, and Mr. Albertas Simenas, minister of economy of Lithuania, signed an Intergovernmental Agreement on Trade, Economic, Scientific and Technological Cooperation and a Protocol on the Supply of Goods and Services and on Payments in 1992.

Lithuania is the third Soviet Republic after Belorussia and Russia with which Bulgaria has signed an economic agreement. As for Lithuania, it is its first economic agreement with an East European country.

Under this long-term trade, economic, scientific and technological cooperation agreement, the two countries grant each other a "Most-Favoured-Nation" status and switch to convertible-currency accounting. Under the agreement, the two countries may use local currencies in certain non-commercial payments.

A joint intergovernmental commission will control the implementation of the agreement. The Bulgarian Foreign Trade Bank and the Bank of Lithuania are to sign an additional agreement on payments.

Under the protocol on the supply of goods and services Bulgaria will export materials handling machines and

spare parts, electric truck storage batteries and medicine and will import fertilizers, consumer electronics and fish.

The two ministers commended highly the signed agreements and Mr. Paparizov stressed their political importance in the two countries' joint efforts to live in united Europe. Lithuania will serve as a bridge between Bulgaria and Scandinavia, the guests said.

Agreements on the avoidance of double taxation, on reciprocal investment protection, on the use of local currencies in trading, on cooperation in transport and trade and on joint entry in third markets will be the next steps in Bulgarian-Lithuanian cooperation.

Military Delegation's Moscow Visit Reported

AU0711151691 Sofia BULGARSKA ARMIYA in Bulgarian 4 Nov 91 p 4

[Interview with Lieutenant General Stoyan Buchvarov, deputy minister of defense, by BULGARSKA ARMIYA representative Lieutenant Colonel Vladi Vladkov; place and date not given: "Spare Reserves in the Field of Spare Parts"]

[Text] At the end of last week, a Bulgarian military delegation led by Lieutenant General Stoyan Buchvarov, deputy minister of defense, returned from Moscow. A representative of BULGARSKA ARMIYA met and interviewed the leader of our delegation:

[Vladkov] Mr. Lieutenant General, what was the purpose of your mission to Moscow, if it is not a great secret?

[Buchvarov] Our primary aim was to carry out what was agreed upon during the visit of the Bulgarian delegation led by President Dr. Zhelyu Zhelev or, more specifically, during the talks that Deputy Prime Minister Dimitur Ludzhev held in Moscow.

Our military delegation met with a delegation led by Admiral Yuriy Grishin, deputy minister of foreign economic relations of the USSR. They discussed issues relating to mutual deliveries of spare parts for the equipment and weapons held by us in 1991 and 1992. We unanimously agreed that, for this purpose, we must utilize various terms of payment—clearing, barter deals, payments in freely convertible currency, and so on.

We also paid great attention to the quality of deliveries. Quality claims have been made against both sides, which is why special attention has to be paid to this problem from now on.

We also discussed issues concerning conversion and reached agreement in principle to establish direct contacts between military plants and, when the appropriate legislation is passed, to create joint enterprises for civilian production.

As far as secrecy is concerned, you can judge this for yourself from the fact that our delegation included representatives of certain major Bulgarian plants and combines. Even the joint working protocol document had no secrecy classification.

[Vladkov] Did your talks also cover arms deliveries from the USSR to Bulgaria?

[Buchvarov] No. The topic of deliveries of combat equipment and arms was not raised in Moscow. Our talks concerned the provision of spare parts to maintain the arms and equipment, already in our Army's possession, that are destined to remain under the Vienna accords.

[Vladkov] Does this mean that the Bulgarian Army is experiencing a lack of spare parts?

[Buchvarov] I would not say a lack, but we are experiencing certain shortages in some basic categories of equipment. I believe that, following our visit, the main problems will be solved. An imbalance does exist in the field of special property [spetsialno imushtestvo], and this is to Bulgaria's advantage. This imbalance will be removed by the import of spare parts.

[Vladkov] Are we to believe that the Bulgarian side will only receive deliveries?

[Buchvarov] The main task of our visit to Moscow was to resolve the problems that caused the imbalance to arise and to take steps to stabilize the situation until the end of the year. This presupposes that Bulgarian exports to the USSR and our imports from there will continue. Due to the fact that both in Bulgaria and in the USSR, the time required to produce some of the spare parts will exceed the framework of this calendar year, the mutual deliveries for 1991 will continue until the end of March.

[Vladkov] What do our deliveries to the East comprise?

[Buchvarov] We repair naval vessels, supply tools and parts for MTLB [expansion unknown], accumulator batteries, optical equipment, and so on.

[Vladkov] What was the atmosphere of the talks?

[Buchvarov] Our hosts gave us a warm welcome and paid us great attention, while our visit was very well organized. The talks were honest and frank, and full understanding was shown for each side's position. Most importantly, everything served the interests of the direct producers in Bulgaria and the USSR.

Federal Government Sets Conditions for State

AU0711131991 Prague CSTK in English 0831 GMT 6 Nov 91

[Text] Prague Nov 6 (CSTK)—Citing "the appearance of elements threatening the existence of the common state", the Czechoslovak Federal Government decided last night to play a stronger role in negotiations between the Czech and Slovak Republics on the country's constitutional arrangement. "The government of the CSFR considers the preservation of the common state of Czechs, Slovaks, and the other nationalities living on its territory as one of the fundamental purposes of its activity", says a statement released to the press after yesterday evening's emergency session of the Federal Cabinet.

"It respects and endorses the need for a new constitutional arrangement",continues the statement. "At the same time, the Federal Government is determined to support and pursue everything that is capable of leading to the soonest possible drafting and approval of the (federal) constitution and to the overcoming of today's uncertainties and destabilizing tendencies".

In addition to this statement, the Federal Government will present the Federal, Czech and Slovak parliaments with its conception of the jurisdiction of the common state, Federal Premier Marian Calfa told a press conference after last night's cabinet session.

Calfa said the cabinet made its decision after hearing his report on the negotiations between the leaders of the Slovak, Czech, and Federal parliaments and governments Sunday [3 November] at the mountain cottage of President Vaclav Havel.

He described the talks as stuck because of a fundamental difference between the Czech and Slovak sides in their understanding of the concept of the common state.

"The concepts are so fundamentally different that it raises fears whether it will be possible to reconcile them in a normal way, or only through mutual negotiations", Calfa said.

On the other hand, he remarked, the situation is not one that could be described as the disintegration of the state.

Following are some of the "minimal conditions for the existence of the common state" from the Federal Government's declaration:

—"a directly elected legislative body with sovereign legislative powers throughout the territory (of Czechoslovakia) in all matters of fundamental rights and freedoms";

—international legal status, "including the defense and integrity of state territory";

—"a common constitution, binding throughout (the country) on all state bodies and on all citizens of the state";

—"fundamental unity of the economic system and of economic policy", including "a common currency, a single market, basic economic legislation and macroeconomic regulation";

—"the financing of important social activities, particularly in the areas of economy and the environment";

—"the government is at this time convinced that the proposed agreement between the National Councils (Czech and Slovak parliaments) should be concluded as soon as possible. However, it will be binding on the Federal Assembly only in the case that the Federal Assembly itself so decides. The Federal Government interprets this agreement as a constitutional legislative initiative, whose contents will be integrated into the text of the new (federal and republic) constitutions as an inseparable component."

Assembly Passes Law on Referendum Procedure

AU0811113391 Prague CSTK in English 1520 GMT 6 Nov 91

[Text] Prague Nov 6 (CSTK)—The Czechoslovak Federal Assembly (parliament) today passed a bill on the procedure for conducting a referendum, which, together with the law on holding referendums passed in July, completes the legislation required by the Czechoslovak president for declaring a popular vote on the country's future constitutional arrangement.

The law comes into effect by publication. It provides for the setting up of four types of commissions - federal, republic, district, and local constituency. And the constituencies. [sentence as received]

Under the law, pre-referendum campaigns may be conducted for 12 days before a plebiscite is held. The time period between the date a referendum is declared and when it is actually held must be no shorter than 20 days.

The question to be put in a referendum must require a clear "yes" or "no" answer. The wording of the question for the proposed referendum on the state setup is to be approved at the current parliamentary session.

The joint session continues tomorrow with voting on amendments to a bill on the Czechoslovak Constitutional Court.

Czech Government Postpones Coupon Privatization

AU0811113591 Prague CSTK in English 2126 GMT 6 Nov 91

[Text] Prague Nov 6 (CSTK)—The Czech Government today signed a decree postponing implementation of the coupon privatisation scheme in the Czech Republic by two months.

Czech Privatisation Minister Tomas Jezek told journalists the precise date for the start of the plan, originally

scheduled for January 1992, will have to be agreed upon by the Czech, Slovak, and Federal Governments.

Under coupon privatisation, the public can buy vouchers worth 1,000 crowns (30 USD) to obtain shares in state industrial enterprises slated for privatisation.

Last week Jezek called for a postponement of the scheme on the grounds that it was poorly prepared. The decree also resolves difficulties associated with foreign investments made before November 1989, compensation for nationalised property, the minimum size of joint-stock companies, privatisation of state-subsidised organisations and research institutes, and employee shares in firms being privatised.

Jurisdiction in Communications Agreed Upon

AU0711143691 Prague HOSPODARSKE NOVINY in Czech 5 Nov 91 p 1

[Interview with Karel Dyba, Czech minister for economic policy and development, by an "(rs)"-signed reporter; place and date not given]

[Text] [HOSPODARSKE NOVINY] How have the negotiations on the division of jurisdiction in communications progressed?

[Dyba] At our negotiations with the federal communications minister and the Slovak minister for transportation and communications on 2 November, we reached an agreement on how communications should be organized in the event that the joint state continues to exist. All legislative jurisdiction and some executive jurisdiction—for example, in the postal sphere—should be yielded to the federation so that, among other things, the CSFR as a whole can accede to and fulfill the valid international telecommunications and postal agreements. Of course, the final division of jurisdiction also depends on the agreements on the constitutional and legal arrangement. The disputes regarding the division of postal jurisdiction that Prime Minister P. Pithart referred to last week should be resolved in accordance with the proposal that all three of us agreed upon on Saturday.

Dienstbier Favors Flexible Links With NATO

LD0711200591 Berlin ADN in German 2038 GMT 6 Nov 91

[Text] Berlin (ADN)—Czechoslovak Foreign Minister Jiri Dienstbier has spoken in favor of a flexible system of mutual political links between the CSFR and NATO in the runup to the NATO summit in Rome. "If such a system of mutual political links can be described as an 'association,' then let it be said that we are interested in such an 'association' and would like to aim for it," Dienstbier writes in an article for the Thursday edition of the Berlin-based TAGESSPIEGEL. Such a system would increase the feeling of security in Czechoslovakia.

Dienstbier describes NATO's weakness as representating a closed "club for the elite." "A differing security system thus arises for individual European states. This is not a basic program that can last for too long, " the foreign minister states.

"We are including all possible eventualities in our considerations, including an eventual crisis that would block Central Europe to the east and southeast by an almost hermetically sealed chain of existing or potential conflicts," the foreign minister writes. In this situation, it is in Europe's interests to stabilize the unclear security conditions at its center. "We are not insisting that this role has to be played by NATO in particular. However, the snag is that there is no other effective institution suitable for this end," Dienstbier states.

Carnogursky: Czech Position 'Not Enough For Us'

AU0711140391 Bratislava SMENA in Slovak 5 Nov 91 p 1

[Interview with Slovak Prime Minister Jan Carnogursky by Robert Kotian; place and date not given: "Not Even the Old Maid Should Be Neglected"]

[Text] The talks at the president's home were supposed to accelerate the groping constitutional process. We talked with the Slovak Republic prime minister about the current situation:

[Kotian] You came to the Hradecek in a rather skeptical mood and did not expect much from the talks. Was your skepticism justified?

[Carnogursky] It was to the extent that the Czech representatives have, so far, not been willing to accept the treaty between the republics. They are only willing to come to terms regarding a common legislative initiative.

[Kotian] It is the limit beyond which you would not retreat?

[Carnogursky] This is not enough for us.

[Kotian] I believe that the president's initiative should be acceptable to Slovakia. You would not consider using the Havel card so that the "Old Maid" card is left for someone else?

[Carnogursky] It seemed so at times during the Hradecek talks, but.... The issues in question, however, are too serious to think about them in terms of the Old Maid in whose hand it will be left. It is necessary to seek a truly down-to-earth and politically right decision. On the other hand, it is not possible completely to discount the significance of the Old Maid because of the more difficult starting position.

[Kotian] Did the Hradecek talks move the constitutional process forward?

[Carnogursky] They did, in the paradoxical sense that they revealed the differences between the representatives of the two sides. These are based on the fact that the Czech Republic does not want to conclude a treaty between the republics but only a legislative initiative.

[Kotian] This, however, was also questioned in Stirin by [Czech Prime Minister] Pithart—how binding can a republic legislative decision be for the Federal Assembly?

[Carnogursky] We are dealing with this issue in a not entirely pure manner, but by way of an acceptable compromise—a ratification. It really appears as if it were only seemingly a matter of prestige, as if the Slovak Republic were not a contractual partner for the Czech Republic.

[Kotian] These are rather strong words coming from the Slovak prime minister, but only concrete decisions made next week at the session of the National Council Presidiums can show whether or not they are justified.

HSD-SMS Favors Tripartite Federation

AU0711113991 Prague SVOBODNE SLOVO in Czech 5 Nov 91 p 4

[Interview with Jan Krycer, chairman of the Movement for Self-Governing Democracy-Society for Moravia and Silesia, HSD-SMS, by Miroslav Valka; place and date not given: "What Does Moravia Believe"]

[Text] I still recall Meciar's phrase: "We promised the Moravians that if their relations with the Czechs end in crisis, we would be willing to make a separate deal with them."

Now, I learn from Dr. Jan Krycer, HSD-SMS chairman, about a joint draft of the treaty that the Moravian-Silesian Council should present at a joint meeting of the Czech and Slovak National Council Presidiums in Bratislava on 11 November, despite the fact that its initiator is the HSD-SMS.

[Valka] Doctor, the courting between Slovaks and Moravians, or vice versa, seems suspicious to me sometimes. What is your movement pursuing with this initiative?

[Krycer] We have here a draft treaty between the Czech National Council and the Slovak National Council on the constitutional setup. It is an independent draft drawn up by experts from Charles University and Masaryk University. It stresses the issue of autonomy and solves the problem of power sharing by entrusting the power to three entities. The draft fills me with optimism.

[Valka] What is the source of this optimism?

[Krycer] Something new has appeared here, something that has not been here before.

[Valka] Do you have a tripartite federation in mind?

[Krycer] Let us talk about three entities. We have enough time to give it a name.

[Valka] As far as I know, something like that is quite unacceptable for Slovaks. Meciar spoke about a Slovak and Moravian solution.

[Krycer] The last hour of the discussion in Stirin was completely devoted to the tripartite entity. However, this has never been made public.

[Valka] Only a few hours after the meeting in Stirin, the chairmen of the National Councils, Buresova and Miklosko, said that, in the first place, Moravians should reach an agreement among themselves. That is, they swept the Moravian issue off the table. By the way, does North Moravia have a share in what was cooked up in Brno on 1 November?

[Krycer] It is a project by 13 political parties and movements whose land offices are based in Moravia. It really is a joint standpoint of the Moravian and Silesian Councils. It is possible to comment on this standpoint until 8 November. One of the conditions that we imposed is that we must have an unambiguous approval.

[Valka] Doctor, is it difficult to understand that certain political circles in Slovakia may be apparently playing for a stake by courting Moravia?

[Krycer] Undoubtedly. However, if we want to preserve the common state, and this is what we want, then we must also undertake political risks.

[Valka] Where do you see these risks?

[Krycer] A majority of our members and supporters of our movement are drawing attention to possible hypocrisy, and we must not ignore it. We are aware of the fact that it is possible to bet on and gamble with the Moravian card, yet we ourselves have a number of different ideas. We dealt with Slovak representatives to test the ground. Of course, we are aware of the narrow interests of some political forces. Now the Slovak standpoint must become clear in Bratislava—"yes" will mean yes, and "no" will mean no.

[Valka] Doctor, you apparently are an optimist and believe that Moravia would live to have the same status as Bohemia and Slovakia, and that Slovakia would approve that.

[Krycer] I believe that Slovakia will be in favor of a union of three constitutional, autonomous, and equal entities. From the lobbies in Stirin I know that there are indications of such willingness.

Papers Report ODU-VPN Attacks Against KDH

AU0711133591

[Editorial Report] Czech and Slovak newspapers on 5 November publish statements made by leading representatives of the Christian Democratic Movement (KDH)

and the Civic Democratic Union-Public Against Violence party (ODU-VPN), in which they discuss the state of relations between these two main forces of the Slovak Government coalition.

Bratislava VEREJNOST in Slovak on 5 November on page 1 carries a 700-word Ivan Rajecky report on an ODU-VPN briefing held in Bratislava on 4 November. The briefing was addressed, among others, by Peter Tatar, member of the ODU-VPN Presidium, who referred to ODU-VPN's disagreements with the KDH on the drafting of a Slovak constitution. Tatar is quoted as having said: "It is known that the parliamentary commission working on the constitution's draft is not united. But it is not only Slovakia's political spectrum as a whole that is not united; unanimity of views does not exist even within the coalition. Of the 10 commission members, five —those representing ODU-VPN, the Hungarian Independent Initiative, the Hungarian Christian Democratic Movement, the Coexistence movement, and the Democratic Party—uphold the federal variant, that is, a Slovak constitution as part of the federation. The Slovak National Party says that it wants an independent state. The Movement for a Democratic Slovakia advocates a confederation. The ones who say nothing at all are the Party of the Democratic Left and the KDH. It is natural that, in this situation, all the tensions persist, tensions that are ultimately reflected in the talks."

Prague MLADA FRONTA DNES in Czech on 5 November on page 2 carries a 300-word "sla"-signed report on the same ODU-VPN briefing. It includes the following passage on disagreements between the ODU-VPN and the KDH on the privatization issue: "Ivan Miklos, Slovak minister for the administration and privatization of national property, criticized the disinformation campaign by some Slovak newspapers and politicians. He also mentioned poor cooperation between the privatization ministry and the ministries that are founders of state enterprises and that do not want to give up their economic power. According to what he said, any delay in privatization will weaken Slovakia's economic strength. Minister of Forestry and Water Economy Viliam Oberhauser (KDH) reportedly even proposes that privatization be made conditional on the founder's consent. Asked by MLADA FRONTA DNES what he thinks about the courting between the Communist Party of Bohemia and Moravia and the KDH, Ivan Miklos said: 'Judging by some of their views on privatization, I do not find it all that surprising.'"

Bratislava SLOVENSKY DENNIK in Slovak on 5 November on page 2 carries a 300-word "mru"-signed report on the ODU-VPN briefing. According to the report, ODU-VPN First Deputy Chairman Jozef Kucerak criticized the KDH-run Slovak Ministry of Interior for its handling of the ODU-VPN-organized rally of 28 October, held to mark the anniversary of the founding of Czechoslovakia: "Jozef Kucerak returned to the egg-throwing incident at Slovak National Uprising Square in Bratislava and drew attention to specific shortcomings. In the opinion of the ODU-VPN, the Slovak Ministry of Interior did not take sufficient steps to eliminate those shortcomings and to prevent the whole situation from arising. In this connection, he said that the KDH is playing a dual role, if it does not clearly dissociate itself from similar expressions of anarchy and chaos. Given this fuzzy stand by the KDH, it is not surprising, J. Kucerak said, that ODU-VPN deputies standing outside the coalition agreement demand that the minister of interior be recalled."

Bratislava VEREJNOST in Slovak on 5 November on page 3 carries a 350-word interview with Ivan Carnogursky (KDH), deputy chairman of the Slovak National Council, which was published in the 1 November issue of the Prague daily METROPOLITAN. The place and date of the interview, and the name of the interviewer, are not specified.

The opening exchange of the interview reads:

"[METROPOLITAN] The VPN movement has become a party, the ODU-VPN, while the KDH has remained a movement. There is the view that, for several reasons, the breakup of the VPN-KDH coalition is not so much a question of months as one of weeks. What is your view of the prospects of these coalition relations?

"[Carnogursky] The existing coalition—one, naturally, without any embraces of love—is needed by the Slovak Republic, by the political system, but also by the parties and movements that are in the coalition. Given our current unstable political spectrum, if this coalition fell apart it would have an immediate effect on the government, the economic situation, and political stability. The political instability of Slovakia would bring about the political instability of Czechoslovakia, it would affect Europe, and so forth. There are too many factors involved here suggesting that, although this is a marriage of convenience and not a marriage of love, 'we must keep our mouths shut and toe the line' and work."

In the remaining parts of the interview, Carnogursky rejects the "conjectures," mentioned by the interviewer, that Slovak National Council Chairman Frantisek Miklosko, although member of the ODU-VPN, "deep down belongs to the KDH." He is also asked to comment on a statement made by Igor Uhrik, a representative of the American Slovak League, that "it is only question of a short time before the KDH directly expresses itself in favor of a confederation." Carnogursky dismisses Uhrik's statement, saying that "all these Americans are marked by the 40 or 20 years of separation from political life, thinking, and development in Slovakia. When they comment on all the problems we are tackling here at present, they often behave like Martians on [the Slovak mountain of] Krivan."

Defense Ministry Summons SFRY Ambassador

LD0711143791 Budapest Kossuth Radio Network in Hungarian 1400 GMT 7 Nov 91

[Text] The Yugoslav ambassador in Budapest has been summoned to the Defense Ministry in order to inform him about the results of the investigation into the Barcs bombing attack. Prime Minister Jozsef Antall and several other ministers were also present at the meeting.

Following this, the military attaches accredited to Hungary will also study the evidence discovered by the Hungarian experts. The Belgrade leadership has so far denied that the Federal Army possesses grenades of the type which hit Barcs.

Says Bombing 'Deliberate'

LD0711163691 Budapest Kossuth Radio Network in Hungarian 1500 GMT 7 Nov 91

[Text] The bombing of Barcs was deliberate, there is no question of it being a chance event. This is what a Hungarian Defense Ministry representative informed the Yugoslav military attache. Proof was given to support what had been at issue—the two bomb-carrying cases which were part of the air force arsenal of the Yugoslav People's Army before 1988. There was confirmation that a Yugoslav aircraft was in Hungarian air space for three minutes, and it dropped its bombs with deliberate purpose.

Foreign Affairs Committee Chairman Gyula Horn told us this after, together with several other parliamentary deputies, he heard the report behind closed doors. He said that the Hungarian side requested a firm stand from the Yugoslav ambassador, regarding who carried out the attack, why, and at whose instructions.

The Yugoslav side was also called on to give a guarantee that no similar incident would take place in the future. The ambassador promised that he would truthfully forward to Belgrade the Hungarian side's questions and appeal.

Spokesman Briefs Media

LD0711184591 Budapest Kossuth Radio Network in Hungarian 1700 GMT 7 Nov 91

[Gabor Kereszty report on the news briefing at the Defense Ministry]

[Text] Hungarian military experts have established without any doubt that the bombing of Barcs was deliberate. There is thus no question of it having been a chance event.

The aircraft spent some 3.5 minutes, between 2050 and 2055 on 27 October, in Hungarian air space. In the meantime its maneuvers, the altitude of its flight, and the manner in which the bomb was released indicate that the pilot carried out a deliberate attack.

However, the Ministry of Defense does not have proof whether the attack might have been directed deliberately against Barcs, and thus Hungary. Nor are the aircraft's markings and type known. In any case, there is no information about whether, apart from the Yugoslav People's Army, someone else might have an air force in Yugoslavia.

It also emerged that the two bombcases dropped on Barcs were of British make, and that the Yugoslav People's Army has had such things since the middle of the 1980's. Thus the earlier allegation that it might be a Swedish type of bomb, which is not possessed by the Yugoslav Army, is not true.

The British military attache who attended the news briefing confirmed in a statement that they had earlier sold the British-made BL-755 bombs with which the village along the border had been attacked. Now, however, they fully support the arms sales embargo against the country in civil war, which was adopted in July in The Hague, the British diplomat said.

The Hungarian side informed the Yugoslav ambassador and the military attache about all this, who according to the account of Gyorgy Keleti, spokesman for the Ministry of Defense, did not add anything to what had been said.

We requested a firm stand regarding who had carried out the attack, why, and at whose instruction, as well as a guarantee that there would be no similar incident in the future. Gyorgy Keleti also said that in the border region there were continuous reconnaissance flights by the Hungarian Air Force, and that the pilots were authorized to—I quote—be able to prevent, with any means, a similar incident.

Belgrade TV Accuses Hungary of Violating Airspace

LD0811091991 Budapest Kossuth Radio Network in Hungarian 0600 GMT 8 Nov 91

[Excerpt] [passage omitted] Belgrade Television has again accused Hungary of violating Yugoslav airspace with agricultural aircraft. In Vojvodina, there were demonstrations in an increasing number of settlements for peace and for a halt to the call-up of reservists. According to a report from Novi Sad, one of the leaders of the Senta peace movement was arrested by the Yugoslav military authorities.

Military Readiness Increased; Troops Sent To Border

LD0811174191 Budapest Kossuth Radio Network in Hungarian 1700 GMT 8 Nov 91

[Text] The Hungarian military has increased readiness in the southern regions of the country. In accordance with this, strictly in the interest of preventing the fighting in Yugoslavia from spilling over the border, numbers have been increased at some local garrisons. The frequency of

patrols along the borders has been increased, the guarding of some militarily important positions and installations has been tightened, and air defenses in the region have been reinforced.

A Defense Ministry spokesman said that, to carry out these duties, certain military units have been relocated to the southern regions of the country.

At the same time Gyorgy Keleti denied that there has been mobilization in any part of the country or that conscripts are being called up.

Spokesman Denies Sanctions Imposed Against Serbia

LD0811085191 Budapest Kossuth Radio Network in Hungarian 1900 GMT 7 Nov 91

[Text] The spokesman for the Hungarian Foreign Ministry has no information that Hungary may have announced that it will join the EC economic sanctions against Serbia, which according to plans will come into force tomorrow. German Foreign Minister Hans-Dietrich Genscher mentioned in a radio interview, as if it were fact, the Hungarian step which would resemble steps taken by Austria and Albania. Spokesman Janos Herman said that Hungary has never kept it secret that it coordinates its policy with the Common Market, naturally in the matter of the crisis in Yugoslavia too. Herman also recalled that Hungarian foreign policy intends to support international actions which will facilitate an end to the bloodshed in Yugoslavia.

Antall Discusses SFRY Situation With Vance

LD0711214491 Budapest MTI in English 1855 GMT 7 Nov 91

[Text] Budapest, November 7 (MTI)—Cyrus Vance, the UN secretary general's special envoy now mediating in the Yugoslav crisis, gave a bleak appraisal of the conflict there in a meeting with Hungarian Prime Minister Jozsef Antall today.

Since no lawful government has been in control since October 3, the situation is rapidly deteriorating, with the chance that war will spread to Bosnia-Hercegovina growing greater by the minute, said the former U.S. secretary of state. He added that the collapse of the latest cease-fire agreement is aggravating the political and humanitarian problems with the number of people who have fled their homes at almost 400,000.

Antall said it is intolerable that thousands of people lose their lives in Yugoslavia, hundreds of thousands lose their homes, and irreplaceable values of the cultural world heritage are destroyed, all during peace-time. The Hungarian air space has been violated on numerous occasions, shells fell on the village of Barcs (southern Hungary) a few days ago, and the Hungarian Government will present evidence to the public that such weapons are regularly used by the Yugoslav People's Army.

The Hungarian prime minister stressed that a chain reaction which could destabilize the central and eastern Europe region may set in if the international community will not be able to urgently and effectively handle the Yugoslav issue. The Hungarian side holds it particularly alarming that a psychological war is being waged in Yugoslavia to drive entire groups of the population away, and young ethnic Hungarians are being drafted into the army at a rate disproportionate to the size of the minority.

It is the conviction of the Hungarian Government that any solution reached should be based on the right to national self-determination, guarantees of the external and internal borders and the rights of the national minorities. A solution of this kind can only be attained through a coordinated and firm political stand, with the effective participation of NATO, the EC, the United States and the Soviet Union, and the United Nations Security Council.

Antall called for international observers to be sent to the Hungarian side of the common border, to investigate the recent violations of the Hungarian air space.

Cyrus Vance agreed with the situation evaluation offered by the Hungarian prime minister. He said he had called attention to the inadequate number of cease-fire observes, and their scope of movement and means of telecommunications, in his report prepared for the UN secretary general.

Vance said he also believes the crisis should be resolved as soon as possible, before its negative effects further affect the region.

Government Spokesman Defines Security Policy

LD0811133191 Budapest Kossuth Radio Network in Hungarian 1100 GMT 8 Nov 91

[Report by correspondent Gabor Bankuti on today's press briefing by government spokeswoman Judit Juhasz]

[Excerpt] Amendments to the laws on the (?family), bankruptcy and spying, the financial protection of social insurance, the regime of the agricultural market—these were on the government's agenda in addition to the basic principles of security policy and defense.

The basic defense principles, which are to be submitted to the National Assmebly soon, proclaim that the aim of Hungarian defense is to guard our independence and territorial integrity, to avoid war, the eliminition of potential aggression, and preventing the development of armed conflicts. Hungarian military policy will be built on defense and takes into account the legitimate interests of neighboring countries.

Hungary has no mass destruction weapons and does not permit their deployment on its territory.

Among the basic principles of security policy there is our intention to settle disputed questions through peaceful political means. We avoid any interference in the conflicts of neighboring countries.

The government intends to complement the amendment of the Penal Code regulations with further points—something it has already started on 3 October. According to this, when establishing the fact of spying it is sufficient if the person is aware of the fact that he is in touch with [kapcsolatban all] a foreign intelligence organization; he does not have to be a member of that organization. [passage omitted]

Bavaria's Streibl Meets With Antall, Kadar

LD0711222991 Budapest MTI in English 1659 GMT 7 Nov 91

[Text] Budapest, November 7 (MTI)—Decrying the European Community's apparent inability to help resolve the Yugoslavian crisis, Bavarian Prime Minister Max Streibl today endorsed the recognition of Slovenia and Croatia as independent states. "The balance of the efforts made so far by the European Community toward settling the Yugoslavian crisis is disgraceful. The time has come for the EC to take action," Streibl, now on an official visit here, told journalists after his talks with Hungarian Prime Minister Jozsef Antall.

Streibl attached crucial importance to whether Slovenia and Croatia will be recognized as independent states. This would eliminate the internal nature of the conflict, he said, and open up the road to international intervention, mainly under United Nations auspices.

However, the Bavarian prime minister again warned that Germany, Austria and Hungary, in light of their history, cannot alone accept this task. Germany, he said, is aware that the some half million ethnic Hungarians living in Yugoslavia and implicated in the war on both sides make the situation for Hungary rather sensitive.

Talks with Hungarian Prime Minister Jozsef Antall included the broader connections of security policy. Streibl said the West should ensure protection to the new democracies of Hungary, Czechoslovakia and Poland. He also stressed the point that not all threats to Europe had immediately vanished with the elimination of the two blocs.

One of the greatest uncertainties he noted is the dissolution of the Soviet Union, the way events will develop, the state formations to be set up, and the weapons systems in their possession are still unclear. It is even possible that a Saddam Husayn-like dictator against whom Europe would need a common defence could come to power, he said.

In view of these dangers, Streibl advocated the creation of a common continental security system which should include the new democracies of Eastern Europe, with the issue of its sub- or superordination to NATO not being a priority.

Streible also mentioned the question of national minorities as one of the problems that afflict East Europe. He said the German minority living in Hungary is in a situation envied by many and "unparallelled in the world." Were minorities throughout the world to be treated as they are in Hungary, all conflicts could automatically be settled.

Coinciding with the visit of the Bavarian prime minister, a Bavarian office is to open in Budapest on Thursday. German small-scale industry will also open a representatives' office. Streibl held talks on this with Minister of International Economic Relations Bela Kadar.

Foreign Ministry Welcomes NATO East Europe Council

LD0811175491 Budapest Kossuth Radio Network in Hungarian 1600 GMT 8 Nov 91

[Text] The Hungarian Foreign Ministry welcomes the NATO decision to create a cooperation council with the Eastern European countries and the three Baltic republics. The Hungarian interpretation of the resolution is that with this the institutionalization of contacts between the North Atlantic Alliance and Eastern Europe has commenced. As foreign affairs spokesman Janos Herman said our homeland will naturally participate in the first session of the council in December.

Romanian Official Views Bilateral Relations

AU0611111391 Budapest MAGYAR NEMZET in Hungarian 1 Nov 91 p 3

[Interview with Ioan Ardelean, member of the Foreign Policy Committee of the Romanian Parliament, by Gabor Lambert in Budapest; date not given: "The Spreading of Relations Could Alleviate the Ethnic Tensions"]

[Text] A delegation of the Romanian-Hungarian Friendship Group of the Romanian Parliament paid a visit to Hungary at the beginning of this week and held talks in the National Assembly. Their visit is worth mentioning in the current situation, even more so because this visit strengthens the assumption that it is perhaps easier to break the impasse in our bilateral relations at the legislative level, rather than at the governmental level.

Ioan Ardelean, member of the Foreign Policy Committee and of the Humanitarian, National Minority, and Religious Committee of the Romanian Parliament, also participated in this delegation.

[Lambert] Is your visit connected with the recent debate in the Romanian Parliament on the alleged anti-Romanian attitude of the Szekler counties?

[Ardelean] The Romanian-Hungarian Friendship Group deals with bilateral relations as a whole, namely with the issues of economic and cultural cooperation.

[Lambert] However, you must have also touched upon daily political events during your negotiations?

[Ardelean] Obviously, the report on the events that took place in Harghita and Covasna counties was not fortunate from the viewpoint of Romanian-Hungarian friendship. However, one must understand that this subject affects public sensitivity, and even if extremist opinions were also voiced during the parliamentary debate, the things included in this report are facts.

[Lambert] After the fall of the Ceausescu regime, the servants of the old regime and the Securitate members were pursued all over Romania. We know that the Romanians living on the territory inhabited by Hungarians were officials of this old regime and Securitate agents. Why was it necessary to give an ethnic character to their expulsion from these areas?

[Ardelean] Indeed, there were such people among those who were driven away from Harghita and Covasna counties, but it is a fact that there were other ethnic Romanians there too, like teachers and other intellectuals.

It is unfortunate that in the first weeks and months following Ceausescu's fall, when the possibility of improvement in relations between the nationalities really emerged, interethnic conflicts emerged like the events in Marosvasarhely [Tirgu Mures] and the events in Harghita and Covasna. We are talking here not only about Hungarians, but also about Hungarians' enmity toward Romanians and Romanians' enmity toward Hungarians, things that greatly reduced the initial opportunities and, unfortunately, we cannot disregard this situation today.

[Lambert] Why was this report discussed precisely now, when the domestic situation in Romania is quite unstable? According to some assumptions, certain power circles are playing the "Hungarian card" to divert the people's attention from other domestic policy tensions.

[Ardelean] Will you allow me to return the question? We have been discussing nothing but the national minority issue ever since I came to Budapest, and I am here for the fist time and am enjoying my visit very much. Therefore, I can also assume that by endlessly discussing national minority rights, the Hungarian National Assembly and the Hungarian press also want to divert the public's attention from other bilateral issues that are also very important. Do you think that by discussing the issue of broadening and deepening our bilateral relations, we could, in fact, also advance in the area of national minorities, and we would also take the justification away from those who are constantly trying to make use of the ethnic and other tension for their own interests?

[Lambert] Do you have enough time to discuss the situation that has emerged in tourist traffic, and do you see any possibility of changing this situation?

[Ardelean] I think that the measures applied by the Hungarian side, when you demand that tourists coming from Romania possess 1,000 forints a day, measures answered with similar measures by the Romanian side, do not contribute to the development of relations between the two nations at all. The House of Deputies of the Romanian Parliament adopted a law recently that regulates the activity of border crossing points and, in my opinion, this is comparable to the European standard. I think the Senate will also approve this law, and this will enable us to create border crossing conditions between Romania and Hungary similar to the ones prevailing at other borders in Europe.

[Lambert] In your view, in what direction is Romanian domestic policy moving? Will the National Salvation Front [FSN] disintegrate, and if so, into what trends?

[Ardelean] I think that, just like in the case of other parties, various trends are also emerging within the FSN, because there are forces there that are trying to break up the party. However, there are also forces that focus on unity. The final outcome depends on many things, and this is an extremely complex issue.

In my personal view, there is a need for the purification of the FSN, because it is perhaps the "most generous" force in Romanian political life. It comprises the most diverse forces, from the Social Democrats to the Liberal and Peasant Party trends, and we increasingly feel the need to purify the party and become politically uniform. I think that the elections and the electoral campaign preceding these elections will start this process, and thus the FSN will become a more adaptable party than today. I hope that other parties will also join us after the elections, including the Democratic Association of Hungarians in Romania [RMDSZ], a party that can only prove that it thinks at a national level if it participates in the government.

[Lambert] The parliamentary debate of the aforementioned report will continue next week. Will your current visit contribute to channeling this debate in the right direction and to concluding it?

[Ardelean] In my opinion, if the Romanian Parliament gets to formulate a closing statement in connection with this affair—and this will probably take place—the heads and representatives of all the parliamentary groups will participate in formulating this statement. This final conclusion will be a balanced one, by all means, and this will contribute to the final closing of the whole issue, and it will not aim at further increasing ethnic tensions.

Antall Gives Impressions of Visit to Egypt

LD0711193991 Budapest Kossuth Radio Network in Hungarian 2100 GMT 6 Nov 91

[Report on interview with Prime Minister Jozsef Antall by Gyoergy Onodi and other correspondents on board a plane from Cairo to Budapest; date not given—recorded]

[Excerpt] [passage omitted] Jozsef Antall said in reply to a reporter's question that following the settlement of the Israeli relations and his visit to Jerusalem, the Hungarian Government hopes to strengthen the other side of Middle Eastern politics. This is why he personally accepted the invitation of President Mubarak. Jozsef Antall believes this policy corresponds to the trend seen in the Western world since Camp David.

In response to my question, the prime minister said that Egypt is interested in our experiences. During Nasser's era, Egypt was also touched by the winds of socialism. It is a common feature, he continued, that the state sector is in the majority in the Egyption economy. In Cairo, great interest was shown as to how do we try to solve these problems, which are manifested more or less the same way in both countries. Thus, the success of the visit is not only indicated by the concrete intention to widen cooperation, but also by the hope for mutual solutions to the problems occuring in the development of our countries.

Forint To Be Devalued 5.8 Percent; Kupa Comments

LD0711165291 Budapest Kossuth Radio Network in Hungarian 1500 GMT 7 Nov 91

[Attila Herpai report]

[Text] The forint is to be devalued. The government decided at its meeting today that beginning on 8 November, that is tomorrow, the forint will be devalued by 5.8 percent compared to the convertible currencies. The Cabinet explained its decision by saying that the country's current balance of payments has developed more favorably than previously expected.

Spokeswoman Judit Juhasz said that the step was made possible also by the fact that since the forint devaluation of 15 percent in January, the rate of exchange of the forint has not changed. Mihaly Kupa said that the devaluation was proposed by the economic cabinet. Incidentaly, the proposal was worked out on the basis of a compromise between the portfolio responsible for the foreign economic relations and the Ministry of Finance.

The government expects the acceleration of export growth from the measure and also that imports will be reduced. According to Mihaly Kupa, the reason why the country needs this is to stir up competition among enterprises.

Deputy Regrets Lack of Arms Trade Regulation

AU0511193991 Budapest MAGYAR HIRLAP in Hungarian 31 Oct 91 p 6

[Interview with National Assembly Deputy Andras Nagy by Janos Desi; place and date not given: "A Law Should Regulate the Arms Trade!—Arms Trade Is Still the Biggest Business"]

[Excerpts] Arms trade is still one of the most lucrative businesses of a state. Although the size and objectives of this trade are secret, one can suspect that the yearly turnover in this trade is counted in hundreds of millions of U.S. dollars even in Hungary, a country that does not play a considerable role in the international arms trade. Only government regulation determines the limits of the arms trade in Hungary today.

At the proposal of Imre Mecs and Andras Nagy, both parliamentary deputies from the Alliance of Free Democrats [SZDSZ], the National Assembly asked the government to create a draft bill regulating the arms trade and to submit it to the National Assembly.

[Desi] Why do we need such a law?

[Nagy] Whether we like it or not, we must accept the fact that there has always been an arms trade and this trade will continue. If it exists, it is unfortunate that a government decree regulates this trade, a decree that is difficult to enforce. For example, we deputies only learned about the existence of some sort of regulations on arms trade from the newspapers after the so-called Kalashnikov scandal. This government decree is not secret, but it is impossible to follow every government decision. The other problem is that the government can change a government decree any time, although steadiness and predictability are great values in this case. [passage omitted]

[Desi] Why would a law be better than the current reguation?

[Nagy] A law is something else altogether. Although a majority decides in the National Assembly, opposition members can also express their positions in the debate. In my view, it would be desirable to declare this law as one applicable with a two-third majority, because any problem involved in the arms trade affects anyone, irrespective of one's party affiliation. The future law should precisely determine when and where one is allowed to export arms. [passage omitted]

[Desi] What could be the effects of the appearance of private capital in this sector?

[Nagy] A law is also important because we can also expect the private economy to get involved in the arms trade. The danger of circumventing the relevant regulations is perhaps lower as long as this is a state business. A legal brake is needed, however, in the private economic sphere where profits are even more important.

[Desi] When do you expect a law on the arms trade?

[Nagy] We received promises that a draft bill would be submitted to the National Assembly in the early spring, but I have serious doubts. The need for such a law was first expressed at a meeting of the Defense Committee on 10 April, and the government representatives present at this meeting also recognized the need for such a law. More than six months have passed since then and not even the framework of this law has been prepared. Naturally, this is not something unusual because we still do not have the concept of the defense law either, although this has been promised for some nine months.

SZDSZ Council Hears Leadership Candidates

AU0611105291 Budapest NEPSZABADSAG in Hungarian 4 Nov 91 pp 1, 5

[Report by Gyorgy Szalay: "SZDSZ: Candidates for Chairmanship Post Introduce Themselves"]

[Text] At its meeting on 2 November, the National Council of the Alliance of Free Democrats [SZDSZ] dealt with two issues. Following a close vote, it decided to propose to the congress of deputies that it first elect its executives [ugyvivok], and then the party chairperson. During the course of the afternoon, the candidates to the party's chairmanship post introduced themselves.

A lively debate marked the morning session. Ottilia Solt, Ferenc Koszeg, and Gyorgy Konrad insisted on maintaining the old practice of first electing the executives and then choosing a chairperson from among these executives. Indeed, if this procedure is reversed, there is a risk that only the chairperson's allies will be represented in the party's leading body, because the other politicians would refuse to cooperate with the chairperson.

Resigning chairman Janos Kis and several deputies from the provinces disagreed with this. They stated that the party's executive bodies could not do any efficient work if the leadership included people who were unwilling to cooperate with the chairperson.

The debate was concluded by a vote. With 34 votes to 29, the present members of the National Council decided to suggest to the Congress of Deputies that it maintain the old procedure. Faction leader Ivan Peto and Janos Kis voted with the minority.

No great differences between the programs of the leadership candidates were to be noted during the afternoon presentations. All three candidates wanted to increase the organization's efficiency, and they all had the same goal: To win the next legislative elections.

According to Peter Tolgyessy, the SZDSZ should be made more operational, the leaders of the party's various tendencies should be appointed as deputy chairpersons, and an executive deputy chairperson should direct organizational operations. The support of a third party apart from the Federation of Young Democrats [FIDESZ] will be needed in the event of a future coalition, but the Hungarian Socialist Party cannot qualify as that third party because it is still stained by the fact that it is a successor party [to the Hungarian Socialist Workers' Party].

Alajos Dornbach urged the appearance of "new faces" in the party leadership. Dornbach thought that, in the long run, it was impossible for the party leadership to be composed primarily of legislative representatives. He called the delegates' attention to Bela Greskovits and Mihaly Laki, who, as economists, could greatly contribute to the drafting of an extensive economic program. Dornbach believed that a regional coordination committee should be created and that a political executive board should be formed at long last. Regarding the FIDESZ, Dornbach said that there should be greater cooperation between the two liberal parties.

Imre Mecs called the SZDSZ the party of those who had experienced 1956, and—to many people's surprise—he called for a conservative minimum to complement the liberal minimum in the party. In the SZDSZ, social-liberalism should be linked to conservatism, and the SZDSZ should become a party with a "broader basis."

At the news conference that closed the event, Pal Juhasz, the chairman of the National Council, gave an appraisal of the Council meeting. He believed that the debate had been civilized, and he hoped that this would also apply to the Congress of Deputies. Candidates Dornbach and Mecs stated that they would be prepared to cooperate with anyone, but Tolgyessy had not yet decided whether he would work as a "mere" executive in the party. Tolgyessy believed that it was a bad thing if the executive body was marked by various tendencies. As party chairman, he could only cooperate with those who accepted him as leader.

Answering a NEPSZABADSAG question, Tolgyessy gave more detailed information on possible coalition partners. The Smallholders are an unknown quantity as long as Prepeliczay's and [deputy faction leader] Olah's camp is unable to turn the Independent Smallholders' Party [FKgP] into a European farmers' party. At the moment, it is impossible to cooperate with the FKgP. Tolgyessy concluded that the SZDSZ and the FIDESZ could perhaps form a coalition with the Christian Democratic People's Party.

Social Democratic Party Suspends Chairman

LD0711214991 Budapest Kossuth Radio Network in Hungarian 2000 GMT 7 Nov 91

[Text] The National Presidium of the Hungarian Social Democratic Party has suspended Anna Petrasovits from her post as chairman and is initiating disciplinary proceedings against her. According to the reasons given, Anna Petrasovits is disrupting peace in the party with her scheming behavior, and is impeding the creation of a

unified party. The Presidium is to inform the Budapest Court about the decision, as well as the Socialist International.

Deputy Chairman Tibor Baranyai has been entrusted with representing the party. At the same time, the Presidium of the Social Democratic Party has recalled (Ernoe Orbanlaki) from his post of general secretary.

Assembly Submcommittee Discusses Radio, TV Law

LD0811103591 Budapest Kossuth Radio Network in Hungarian 1700 GMT 6 Nov 91

[Attila Herpai report]

[Text] The National Assembly's press subcommittee heard the presidents of radio and television today, since the Radio and Television Law which is in preparation was under discussion.

The president of Hungarian Radio, as a matter of course, will resign from his position as president after the Radio and Television Law is adopted, Csaba Gombar announced. The president of the radio gave as the reason for his decision that he wishes to give the parties time to choose the new president and vice presidents, and for coordination work.

Alongside all this, Csaba Gombar said that the transformation of radio is making no headway because the regulations governing its operation are still on the desk of the prime minister's office, while with the current structure, the radio is trying to produce something new. This, however, is virtually impossible. For this reason, it would be desirable if, as soon as possible—already next week—the prime minister's office accepted the new regulations.

According to the president of the radio, the parties and the media must prepare themselves for the possibility of no compromise being reached between the political forces regarding who are to be presidents and vice presidents. Csaba Gombar said that one of the most important questions was whether radio's commercial broadcasts can continue. He added that without these, radio would lose 200 million forints annually.

The president cautioned that there are institutional differences between the enterprises responsible for the frequencies and for the radio. He said that the enterprises responsible for program transmission and the management of frequencies are concerned about market profit, while radio is concerned about being able to keep the current frequencies. It needs this so that programs can reach every citizen.

The president of television, Elemer Hankiss, could conceive of the status of the national media in the form of a public law foundation [kozjogi alapitvany]. Their operation would be regulated by the founding document, alongside the framework law. According to Elemer Hankiss, this should be worked out before the presidents are appointed, and the new presidents should not be charged with it. Supervision would be carried out by a board of trustees.

Like Csaba Gombar, Elemer Hankiss also asked for time for the planned transformations.

TV Chief Reports Satellite Broadcasting Plans

LD0811104791 Budapest MTV Television Network in Hungarian 1830 GMT 6 Nov 91

[Excerpts] [passage omitted] The National Assembly press subcommittee heard the presidents of the radio and television comment on the preparation of the Radio and Television Law. [passage omitted]

Television President Elemer Hankiss indicated that sooner or later there will be a new president of Hungarian television, and he considers its structure and operating system to be conceivable in the form of both a joint-stock company [reszvenytarsasag] and a public-law foundation, although he favors the latter slightly.

He asked that the new law guarantee that it should be possible to fill up 15percent of broadcasts, that is 9 minutes per hour, with advertisements. At the same time, he would push sponsorship into the background.

He commented on the possibility of satellite television broadcasting from Hungary to central Europe. He expounded the plan that public service broadcasting could be carried on the second channel, in part by linking regional and local television.

After many questions on detail, it became clear that the subcommittee considers the Socialist Party's proposal to be worth studying. This would base radio and television on a strictly demarcated public-law foundation, transferring intellectual, moral, and social control to genuine social public ownership.

Coalition Talks Suspended; To Resume 13 Nov

LD0711180091 Warsaw Radio Warszawa Network in Polish 1530 GMT 7 Nov 71

[Text] After two rounds of talks, the political negotiations at the Belvedere Palace have been suspended. They are to be continued next Wednesday. According to unconfirmed reports, the leaders of the four groupings taking part failed to reach agreement as to who should be the candidate for prime minister.

Walesa Asks UD To Propose Prime Minister

LD0711214891 Warsaw PAP in English 1833 GMT 7 Nov 91

[Text] Warsaw, Nov. 7—President Lech Walesa has asked the Democratic Union (UD) which won the largest number of seats in the parliament, to propose three candidates for the office of prime minister, Presidential Spokesman Andrzrej Drzycimski said on Thursday.

The president will then choose one of the proposed persons and will ask him to continue consultations with a view to forming government.

During the past week the president has held consultations with seven political parties which got the greatest number of votes in parliamentary elections.

With four of them, namely the Catholic Electoral Action (WAK), Citizens' Centre Alliance (PC), the Liberal Democratic Congress (KLD), and the Confederation of Independent Poland (KPN) he will continue these talks on Wednesday, November 13.

With this proposal the president intends to stress that the new Polish democracy needs to absorb certain principles for future, including the one saying that the election-winning party has the right and opportunity to nominate candidate for prime minister's office, Drzycismski said.

WAK's Chrzanowski Declines

LD0711200891 Warsaw PAP in English 1538 GMT 7 Nov 91

[Text] Warsaw, Nov. 7—President Walesa resumed his talks on the formation of a new cabinet after the recent parliamentary elections with leaders of four political organisations. In the second round they were represented as follows: Donald Tusk for the Liberal Democratic Congress (KLD) of Prime Minister Bielecki, Jaroslaw Kaczynski for the Citizens Centre Alliance (POC), Wieslaw Chrzanowski for the church backed Catholic Electoral Action (WAK) and Leszek Moczulski for the Confederation of Independent Poland (KPN).

For the time being no other political groupings have been invited to the talks—for instance, former Prime Minister Mazowiecki's Democratic Union (UD). Asked if he had called for the Democratic Union's inclusion, Donald Tusk of the KLD said that he had and added "I think that the Union will be asked to the talks, but rather not today".

The KPN's leader Leszek Moczulski said that he had proposed Chrzanowski from WAK for prime minister, but the latter had declined. Chrzanowski himself would not comment on the matter.

No Justice Ministry Decision on CPSU Funds

LD0711215391 Warsaw Radio Warszawa Network in Polish 1400 GMT 7 Nov 91

[Text] In view of the publication in Polish dailies of documents connected with a loan made by the CPSU to the Polish United Workers Party [PZPR], reprinted from the weekly ROSSIYA, we asked the Justice Ministry spokesman whether our law envisaged the taking of appropriate action. Judge (?Andrzej Subala) replied that it was too early to speak of this, since it was not yet known whether the documents were credible. If the Polish side were to obtain them, the prosecutor's office would then try to clarify the matter from the point of view of the criminal and currency law, and possibly from the angle of political responsibility. Mieczyslaw Rakowski, who was involved in obtaining the loan from the CPSU, said that he would publish a statement on this matter in tomorrow's TRYBUNA. We found out at the Secretariat of the Social Democracy of the Polish Republic, which, according to the documents, has paid off nearly half the dollar debt, that the party would not be taking a stand on this matter.

Rakowski on Soviet Loan

LD0811084391 Warsaw TVP Television Network in Polish 1830 GMT 7 Nov 91

[Text] About 15 minutes ago, we received the text of a statement issued by Mieczyslaw Rakowski [former Polish prime minister] concerning the PZPR [Polish United Workers Party] being financed by the CPSU. The sum involved was $1.2 million and 500 million zloty. The former prime minister explains that, during a conversation with Mikhail Gorbachev on 11 October, he asked for a loan, a loan that he received a few weeks later. He assumed that PZPR would survive; however, events developed differently, and the PZPR dissolved itself. He said, I, therefore, decided to return the full loan. This took place in two installments, a few months apart. The money was not used for any other purpose, and it was not transferred either to the SDRP [Social Democracy of the Polish Republic] or to the TRYBUNA, Mieczyslaw Rakowski.

Planning Office Economic Forecast Reported

AU0711201191 Warsaw RZECZPOSPOLITA (Economy and Law Supplement) in Polish 31 Oct-1 Nov p 1

[Antoni Kowalik report: "If Things Carry On This Way...Warns The Central Planning Office"]

[Text] The economic results of the first nine months of 1991 permit a reasonably accurate forecast of the state of the economy at the end of the year, with all its attendant positive and negative phenomena. On this basis, and also taking into account the economic trends over the past two years, the Central Planning Office [CUP] has produced a forecast for 1992 describing what could happen to basic sectors of the economy next year if particular phenomena and processes are not halted or speeded up, as the case may be.

The CUP report lists the positive phenomena that occurred in the economy this year. They include:

—An expansion of the private sector. In September, there were 1.4 million organizational units in the hands of private individuals engaged in the manufacture of products or in the provision of services. This is 20.3 percent more than in 1990. The industrial output of the private sector was 8.4 percent higher than in 1990, and this sector was responsible for 22.1 percent of all output. The value of exports by the private sector was three times higher than in 1990, and constituted 13.8 percent of all exports. Imports by the private sector rose almost six and one-half times and constituted 43.3 percent of all imports.

—A fall in inflation. Prices rose by 5 percent in the third quarter, compared to 25.7 percent in the first quarter and 10.6 percent in the second quarter.

—A global stabilization of the domestic market and an increase in zloty savings deposits by the population. In September, these increased by 60 percent compared to December 1991.

In addition, the report notes that there was a marginal increase in bank foreign currency reserves, the fall in the output of building enterprises picked up slightly, and the relationship between the size of production and the size of employment improved (between January and September—a 12 percent fall in output was accompanied by a 7 percent fall in employment).

On the other hand, the report lists the following phenomena as particular dangers to economic processes:

—An increasingly rapid fall in industrial output. In October, output was 12 percent lower than in 1990 and 36 percent lower than in 1989;

—The continuing difficult financial situation of enterprises. After the first quarter, enterprises should have paid 91 percent of their profits into the state budget and 98 percent after the second quarter. But at the end of August, 1,900 enterprises had a zero credit rating; 25 percent of these had already lost their credit rating five months before;

—A clear fall in exports payable in dollars and an increase in imports mainly for consumer purposes;

—The continuing difficult situation of agriculture, connected with the reduced possibilities of procuring agricultural produce, and the unfavorable relationship between the prices of agricultural produce and the prices of consumer goods and services;

—A considerable fall in capital spending; 1991 is the third successive year in which the demand for investments has fallen on account of tough rules governing the issue of credits;

—A low level of real incomes, the deteriorating economic situation of households, the rise in unemployment, and the lack of improvement to housing construction.

The CUP report says that unless various adjustments are made to economic processes, one must expect an aggravation of the above phenomena and trends. The following is a taste of things to come:

—Industrial output will fall even more in the final quarter of 1991, which will mean a 14.5 percent drop in output against 1990. If the process of privatization fails to proceed according to plan, the nationwide demand for goods is low, and export possibilities to the USSR are limited, then output may fall by 6 percent. The food and timber-paper industries will be the two industries with the best economic performance in 1991 and 1992, and the metal and fuel-energy industries will be the two industries with the worst performance.

—1992 will be the fifth successive year with a recession in housing construction. The number of completed apartments will only slightly exceed the number of apartments completed 33 years ago; in 1958 129,000 apartments were completed.

—In 1992, the recession will continue to restrict investments. Therefore, despite the improved application of foreign credits and of private funds belonging to enterprises, investment outlay may be 5 percent lower than in 1991;

—Vegetable production in farming will fall more profoundly in 1992 than it did in 1991; it will fall by about 10 percent. Animal production will be about 5 percent lower, as a result of which total agricultural production will fall by about 7.5 percent against this year;

—Communications will be the only economic sector to achieve an all-around growth. It is reckoned that, thanks to investments and modernization already undertaken, the number of telephone subscribers will increase by 227,000 this year, and 350,000 next year.

Apart from all this, the forecast envisages a foreign trade deficit based on the assumption that non-liquid resources for increasing exports will be exhausted.

The forecast stresses that the level of inflation next year is difficult to determine and will depend mainly on the size of the budget deficit. If the restrictive monetary and credits policy continues, prices may increase by an

average of 47 percent against 1991. The number of people out of work is pessimistically predicted to be between 3 and 3.5 million, which means that unemployment will reach between 16 and 18 percent, one of the highest levels in Europe.

Armed Forces Working With Reduced Budget

LD0711195991 Warsaw TVP Television Network in Polish 1830 GMT 6 Nov 91

[Text] Rear Admiral Piotr Kolodziejczyk, minister of national defense, has assessed the Army's execution of its tasks in 1991. At present, our Army has approximately 285,000 soldiers, of whom 93,000 are professionals. Its budget, amounting to 19.2 billion zlotys, was recently cut by another 4 billion. The military say that this is not even a survival budget, but a death struggle.

According to the London Military Institute of Strategic Studies, $40 are spent per head in Poland on defense; in Czechoslovakia, $270; and in Germany, $570. The problem, therefore, is how far our Armed Forces are from the invisible border that, if they should cross it, would mean they will be unable to fulfill their basic defense functions?

Let us recall that 40,000 soldiers were returned to civilian life three months early because the Army did not have the funds to keep them. For the same reason, the autumn recruitment is down by 20,000. The Army cannot afford to buy new equipment any longer, but also it cannot afford to overhaul the old.

The Ministry of National Defense owes the Polish arms industry just under 800 billion zlotys. Soldiers are trained on open-air training grounds that are becoming fewer and fewer. There is no money for them.

What is missing is a decision by the new Sejm regarding the Ministry of National Defense budget for 1992. We are focusing on the most difficult option, because it is the most probable one. We are trying, under this difficult financial situation, to guarantee the external security of the Polish Republic.

Another important issue, decisive for the state's defense capability, is the rank and number of trained reservists. It is they, in every area, who decide the worth of the Army, in the case of a serious conflict. Because of a lack of money, 40 to 50 percent fewer than planned are being trained in some Army units. On 28 September, with the House almost empty, the Sejm passed a resolution on the duty of defending the Polish Republic. Other bills are still pending.

Little Immediate Prospect of German Joint Bank

PM0711155391 Szczecin GLOS SZCZECINSKI in Polish 30 Oct 91 p 3

[Rafal Jesswein article: "Border Cooperation: No Future for Joint Bank?]

[Text] "The proposal to create a joint Polish-German bank has not yet been discussed by the interested sides and is still at the stage of analytical research carried out by both partners," Dr. Piotr Zaremba of the Szczecin University Department of Economic Policies told us during the meeting of the Committee for Polish-German Border Region Cooperation.

"We are conducting intensive research into the possibility of setting up a joint bank, paying particular attention to all proposals submitted by the Polish side," Dieter Buetefisch of the Berlin Senate administration announced in a statement made a few minutes later.

Everything seems to point to the conclusion that the concept of setting up a joint bank devised to finance the economic development of the neighboring Polish and German regions bordering the Odra River remains for the time being in the sphere of the theoretical. "We must not take an institutional approach to this proposal but look at it in a practical terms. The idea is to create favorable conditions enabling us to take advantage promptly of a variety of sources that will provide finance for the whole enterprise," the German speaker said. In the course of subsequent discussion, it was pointed out that the operation of setting up the new bank could take two to three years. However, an attempt could be made even today to take advantage of the available funds that are already held by the World Bank, the European Bank for Reconstruction and Development, and the Polish Development Bank. The setting up of the new bank could mean a loss of valuable time," Dieter Buetefisch warned, as he suggested that we should investigate the possibility of cooperation between the Credit Bank for Reconstruction and the Polish Development Bank. As the cooperation progresses, it will be possible to consider the creation of a joint representation of these two institutions that would assist the economic development of both border regions. "It is recommended that the two sides clarify their objectives precisely," the speaker from Berlin said, suggesting the existence of a considerable disparity of aims and methods of cooperation in this sphere.

"The idea of setting up a joint bank should be discussed at the government level," Dr. Gerburg Thunig-Nitter of Brandenburg State Chancellery commented during the press conference that ended the Cooperation Committee meeting.

"The only acceptable way to run the joint bank would be based on the principle of total parity. At the moment, we ought to concentrate on whether the bank should be created at all, or on whether we should instead concentrate on finding the best way in which to use the possibilities offered by existing finance institutions," Voivoda Marek Talasiewicz stressed during the same press conference.

At the moment, there is not much to indicate that a Polish-German bank for the development of the border regions has a realistic chance of being set up at all.

Statistics on Citizenship of Lithuanian Poles

LD0711220191 Warsaw Radio Warszawa Network in Polish 1500 GMT 7 Nov 91

[Text] Director of the Consular Department of the Ministry of Foreign Affairs [MSZ], Jacek Czaputowicz, announced that 87 percent of the Polish population living in Lithuania has taken Lithuanian citizenship. The deadline for acceptance of Lithuanian citizenship was set at 4 November. Our reporter, Krystyna Koziol, asked Director Czaputowicz what would happen to those Poles who had not taken this citizenship:

[Begin Czaputowicz recording] The question of a new citizenship law is currently being discussed in Lithuania. Such a draft law was discussed by the Lithuanian parliament yesterday. From what we found out today, it has been sent to commission following the second reading, and certain regulations in this draft would be advantageous to Poles living in Lithuania. If this draft were to be accepted, I stress, persons who lived on the territory of Lithuania, today's Lithuania, in the interwar period [as heard] would, by law, acquire Lithuanian citizenship, except where, within a period of six months, they declined this citizenship in writing. [end recording]

Stolojan Interviewed on Tasks, Goals of Office

AU0711155991 Bucharest ADEVARUL in Romanian 2-3 Nov 91 pp 1, 3

[Interview with Prime Minister Theodor Stolojan by Sergiu Andon in Bucharest on 31 October: "The Romanian Prime Minister's Nightmare Is a Trinomial: Prices, Wages, and Exchange Rates"]

[Excerpts] [Andon] Mr. Prime Minister, have you ever kept a record of your family expenses?

[Stolojan] Yes, in the first years. [passage omitted]

[Andon] You started from scratch, so to say....

[Stolojan] We started from zero. [passage omitted]

[Andon] You went through such stages as deputy director, director, deputy minister, minister, and prime minister. Which was the most important step from a psychological point of view?

[Stolojan] I went through the following stages: Probation economist, economist, main economist III, department chief, deputy director in the Ministry of Finance, director up to 3 January 1988 when I was removed from this position on the basis of a recommendation made by "Office Two," general inspector in the Ministry of Finance, and on 29 December 1989, I was appointed first deputy minister of finance and in May minister of finance. The biggest step, from a psychological point of view, was when I was appointed deputy director in the Foreign Currency Department within the Ministry of Finance. That was a "shock," so to say, because up to then I did not suspect that my promotion could cause so much "satisfaction" to others. For the first time, I felt the aversion of some people to the fact that I had come to take a position that they wanted for themselves.

[Andon] Why were you replaced in 1988?

[Stolojan] That was a measure taken against several cadres in the Finance Ministry, who had tried to explain why a certain decision that had been made could not be applied, and who had drawn attention to the consequences for our country in case that decision was applied. The reaction came promptly: "Look for the ones who oppose this decision, and remove them from the Ministry of Finance." But neither was the moment an easy one for me when, after 20 years in the finance area, I left and joined the National Privatization Agency. However, it was also a chance for me, because I could not have become acquainted with the privatization world without this change of position. I can say that it is an equally fascinating and interesting world as the world of finance.

[Andon] What was the most unexpected revelation, when you took over the position of prime minister and began fulfilling your tasks?

[Stolojan] That the degree of freedom of a person in such a position is quite limited. People think that a prime minister has unlimited latitude to change things... in reality, his freedom of movement is quite limited, because he is constrained both by prior decisions (that cannot be changed the way people imagine) and by his, sometimes objective, powerlessness to make things turn in the direction he thinks is the best one. The second aspect is that, seen from outside, things always seem different than when seen from inside.

[Andon] Is it an advantage or disadvantage to be prime minister after Petre Roman?

[Stolojan] I would not say that it is an advantage. I would say that it is difficult, mainly because Petre Roman was a very vigorous statesman; the second aspect is the fact that, as we progress in our transition, problems become more and more difficult.

[Andon] Your interim position is limited in time. Would you have accepted an interim position that also included the responsibility for the future harvest?

[Stolojan] The agrarian reform that has been carried out in our country requires two years for the new structures to settle, to be organized, and to yield results. There is a set of laws for agriculture designed to complete the reform: the law on leases, the law on agricultural credits, and so forth. We have to immediately formulate a law on agricultural credits.

[Andon] We live in the same area. Our heating is provided by the same western thermo-electrical plant. Here is my question as your neighbor: Is there additional hope? Is there something new regarding the 31 percent stocks of the needed energy?

[Stolojan] For the time being, on the contrary, things are worse. So far, there have been only hopes that are being given concrete shape just now; however, the situation (and if we are neighbors, we feel it) in the energy sector is tragic. We are holding daily discussions with banks about the hard currency we need to buy what is needed. In our current stage, we have to make up for one month delay in the things that were settled before. We will recoup this month; however, we will recoup it by going through it, not by jumping over it. I have hopes that things will improve at least by December.

[Andon] Yesterday, I opened a letter in which a reader demanded that—through international bodies—we should start a partial renunciation of the blockade against Iraq. This means that oil should be supplied to us for foreign debts and that this should also represent an international formula to assist Romania. Does this seem absurd to you?

[Stolojan] From the point of view of that person, that is a normally thinking person, this is not absurd at all. However, I am convinced that should such a thing be achieved, Iraq's priorities would not begin with Romania.

[Andon] Does this mean that Romania's dramatic situation should not be recognized?

[Stolojan] Let us be realistic: What counts in the international and economic world are just interests. There is aid for dramatic situations: A carload of medicines and who knows what else.... This is what a dramatic situation boils down to. As for the rest, there are solely clear-cut interests. But, of course, this is also a means, and I want to tell you that we have taken steps in this sense, without any results yet.

[Andon] Do you believe that, after the revolution, our foreign policy was characterized by a sort of cosmopolitism, in the sense that we ignored relations with part of the so-called "Third World?"

[Stolojan] To maintain and develop relations with the countries of the "Third World" is very important for us. Unfortunately, the mechanism that preserved these relations at the economic level has disappeared. We now have to reestablish these relations; we more than they.

[Andon] Would $1 billion suffice to absorb the surplus monetary stock?

[Stolojan] In my view, it would be enough; however the monetary stock, that excess money in Romania, has already been absorbed. The problem we are now facing is what can be done, because we have reached an extremely critical point for the Romanian economy. From this point, we can either head in the direction of clear-cut instability or stability. This point depends on the way in which we are able to preserve the correlation that ensures monetary stability and economic stability. The September events disrupted one of the fundamental correlations of stability: the salaries-prices-exchange rates correlation. Second, there is the energy problem that can and will cause the economy great trouble.

[Andon] Excuse me, how was that main correlation disrupted?

[Stolojan] This economy was thought out, and things were developing according to a certain correlation. Disruptions in the price system were clearly determined by: 1 November-1 April-1 July. The normal gap between prices-salaries was shattered. This is the word: shattered—and this jeopardizes the monetary stability in the economy. This is why I say that we have reached a very critical point at which the decision that we will make in the coming days can have serious consequences.

[Andon] Going as far as "stabilization?"

[Stolojan] No. There are no reasons to resort to a monetary stabilization at this point, provided that at the end of the transition period we said, for instance, that this had been a war and rich people made their appearance during the transition period and during the war. But this is not the case. Thus, there is a break in the system that—for the time being—is localized in the Jiu Valley; however, the rest of the mining sector is also demanding the same (it would be abnormal if this was different!) and, of course, the other sectors of the economy will come up with the similar demands.

[Andon] Could one of these serious decisions be the use of troops in agriculture and then in mining?

[Stolojan] I do not think that this will be the case, although, if our country's security is threatened, we can also appeal to the Army.

[Andon] In the government program, you anticipated a certain private ownership percentage—that is, some 80 percent of arable lands. Can you estimate a similar percentage for industry, too?

[Stolojan] Things are more complicated in this sector. Of course, after the distribution of ownership titles, we may say that 30 percent are in private hands, in the hands of the citizens. However, the myth of a rapid privatization process has already been shattered, and not only in our country. This myth came to our country from abroad, and it was of a highly ideological nature when it was launched. Meanwhile, the Poles, Hungarians, and Czechs—who started before us—have come to realize that such a thing is not feasible.

[Andon] What about the liberal partners?

[Stolojan] I do not know. It is very easy to come up with theories, but it is advisable to watch what is happening around you and to watch those who are actually already doing this. I am satisfied that, at this time, there are approximately 1,000 proposals of assets for privatization in our country; thus, although there was talk of thousands of such assets (there was a sort of collective craze that they were going to be put on sale!) the outcome of this action was that, for the time being, a proposal of 1,000 assets for privatization was made, something that—at the level of our economy—does not seem high at all. However, it is a good thing that this process starts off; one measure has already been discussed by the government, namely that foreigners should not participate in the first auction of assets.

[Andon] If the liberals, for one reason or another, suddenly left the government, would you still remain in your position?

[Stolojan] I have learned that Mr. Campeanu has said in Parliament that if the government disappointed him, he would withdraw from the coalition; you should know that this also holds true for us: Should I note that if a minister—from whichever party is of no interest—is not minding his business and turns the given ministry into something other than a public institution, I will not hesitate to suspend that minister.

[Andon] When do you plan an "appearance" in Parliament?

[Stolojan] The way things stand, it will be necessary to present next year's draft budget, which is being finalized at this time.

[Andon] Do you believe that the problem of Transylvania was exaggerated?

[Stolojan] I think so. There were exaggerations on either side. Exaggerations are never positive and, in any case, things return to reality. Undoubtedly, negative actions exist, but there is also a great deal of emotion in this whole affair.

[Andon] Do you still expect the elections to be held on 15 December?

[Stolojan] Even today, I told the prefects in clear terms that everything should be ready for 15 December. But it depends to a great extent on the interval necessary for the election campaign. Both 60 and 45 days take us to January, the first part of which, as you know, is reserved for the census; aside from this, people say that this will be a hard winter. It was my duty to let the Parliament know that all information—at home and abroad—make 15 December a desirable date for the elections.

[Andon] Were we to relive the privatization process, what would be the main correction you would undertake in this process?

[Stolojan] In the economy, one tries to have as few disruptions in the system as possible. We brought about such a disruption in the price system on 1 November, one on 1 April, and one on 1 July. This was inevitable. I want to repeat: The problem is not whether to bring it about or not. It is actually on its way. It will be a disruption in the price system generated by the Jiu Valley phenomenon [introduction of salary indexation other than would have resulted from salary-prices correlation]. If this is going to occur anyway, then you add to it whatever is required.

[Andon] Meaning also the establishment of a uniform exchange rate....

[Stolojan] You see, I have also read what your paper wrote about the risks involved in such a unification. Indeed, there are such risks, but I want to assemble all these people and confront them with fact: The disruption of the price system will relentlessly come! Then I ask you: After this disruption in prices occurs in the economy (in 2-3 months), will anyone assume the risk to come again and say that he still has to carry out another one?

[Andon] What are the grounds for your assumption that anticorruption actions will be as intensive as required?

[Stolojan] My assumption is primarily based on the fact that there are more, much more, correct and upstanding people than vice versa.

[Andon] It is 2000 GMT on 31 October. Are you going to continue your work after I leave?

[Stolojan] For approximately half an hour.

[Andon] Can you tell us on what file you will continue to work?

[Stolojan] Prices-salaries-exchange rates. This is a trinomial that—I think—is working somewhere in my mind, even when I am sleeping.

Ambassadors Praise 'Courageous' Stolojan Cabinet

AU0711200591 Bucharest ROMPRES in English 1916 GMT 7 Nov 91

[Text] Bucharest ROMPRES, 7/11/1991—After the working luncheon Romanian Premier Theodor Stolojan gave on November 7 for the ambassadors of the Group of 24, France's ambassador to Bucharest, Renaud Vignal, stated to the press that the measure adopted by Stolojan's government, i.e. to unify the leu's internal exchange rates, was worthy of admiration, was a courageous but indispensable action.

Mr. Vignal also showed that both the Group of 24 and the Common Market countries assessed that the Roman and Stolojan governments chose the best way, and Romania had to be helped. He also added that the risk Romania's Government had taken through its decision would fully convince the Group of 24 that is to meet at a ministerial level in three days from now that Romania took the good way.

The ambassador of Great Britain to Bucharest, Michael Atkinson, showed that the Romanian Government's measures were significant, expecting from it further details to show a balance between economic and social measures because all Romanians had to be given the chance to work. As for the unification of the leu's exchange rates, the British ambassador expressed his hope that it would be beneficial for the Romanian economy contributing to boosting exports.

Austrian Ambassador to Bucharest Cristoph Parisini underscored his appreciation for Stolojan government's measure considering it optimal. He said all those who attended the working luncheon would do so as to convince their governments that Romania should be backed now.

The ambassador of the United States to Bucharest, Alan Green Jr., stated all the 24 ambassadors attending the working luncheon were very impressed by the particularly courageous measure taken by the Romanian Government considering it necessary and apt to increase Romania's exports and develop Romania's economy within a reasonable time limit. He specified that the United States would continue expanding bilateral relations considering that Romania should be helped. He said he would go to Berlin the week to come and was going to plead for Romania's cause.

Speaking for the Netherlands, Ambassador Coenraad F. Stork congratulated Stolojan cabinet on its courage, adding they also appreciated the previous government's courage in making a number of decisions in the difficult period of transition to a market economy. We are convinced, the Dutch ambassador said, that Romania has embarked on the proper road and we shall support it in implementing the reform and furthering democratization.

The Spanish ambassador to Bucharest, Antonio Nunez Garcia Sauco enthusiastically welcomed the Romanian Government's decision and underlined that Spain would continue helping Romania as it had ever done, in giving its real image outside included. [sentence as received]

Spiroiu on Army Training, Alliances, SFRY

AU0411195591 Bucharest TINERETUL LIBER in Romanian 24 Oct 91 pp 1, 3

[Interview with Lieutenant General Nicolae Spiroiu, minister of national defense, by Aurel Perva and Gavrila Inoan; place and date not given: "Certain Attempts To Intoxicate Us With False Information Were Made During the Latest Mineriad"—Part II]

[Text] [TINERETUL LIBER] In December 1989, the Army's capability to react to electronic warfare was "tested."

[Spiroiu] This is correct. But there had been no preparations for it, we had no experience in this respect, and we did not know what was going to happen. Now a similar event would fail. As a matter of fact, certain attempts to intoxicate us with false information were also made during the latest mineriad. They were linked to the problem of autonomy, that is the so-called autonomy that the Szeklers want to achieve. There were several types of information in this respect, but we took a number of protective measures.

Returning to the train of thought of previous questions, I want to specify that we also propose strengthening our defense capability by ensuring better social protection for our personnel. I am talking about housing. In 1992, we will try to launch a program for the construction of service housing for the military staff, and the dwellings in isolated barracks will be fully furnished. We want to ensure better living conditions for military personnel in such places. Aside from this, we have also taken other measures—of course, in accordance with what is possible for us—to ensure social protection. Generally speaking, concern with ensuring social protection for military personnel did not exist in practice in our country. Such concerns do exist at this point, although the means at our disposal do not yet permit us to implement our plans. Returning to an idea discussed before, I want to affirm that a method of strengthening our country's defense capability could materialize through better and more intensive training and equipping of our Army—even though on a smaller scale. I am referring to the restructuring I mentioned before to ensure more mobile and more easily steered units; we have already begun to take measures in this respect. We will probably progress somewhat faster in this direction beginning on 1 January 1992.

[TINERETUL LIBER] Is the idea of a professional Army being considered?

[Spiroiu] Yes. Generally speaking, we want our Army to be made up of officers, warrant officers, noncommissioned officers, we want to have military staff employed on the basis of contracts, and we want to have young military men who are doing their compulsory military service. After they finish their military service, we want these young men to be placed in reserve up to a certain age; they should constitute a sort of national reserve, if you will, and after that certain age they should constitute a sort of territorial reserve. It also has to be emphasized that, with the assistance of military educational institutions, we want to train warrant officers and noncommissioned officers, and through employment on the basis of contracts, we want to have professional personnel, especially in positions that require technical specialization such as tank drivers, tank combat crews, and armored vehicle crews in general, as well as operators of various automatic military equipment. Compulsory military service will be continued, because this is a way to keep the nation aware of the responsibility it has in defending the country. Within the framework of the law on compulsory military service, we bear in mind the possibility of an alternative military service—and one of these measures of modernizing the Army is our legal activity. This is one aspect of the Army's democratization process, if you will, and this makes an alternative military service possible. A purely personal opinion, which has been endorsed by the great majority of the important commanders with whom I have discussed this question, is the possibility for an alternative military service. However, I believe that we cannot proceed to this system unless we take security measures. I myself would promote this system only if the law—so to say—on the status of public servants or other regulations at a national level—or even the Constitution—stipulated that an important position in the state administration cannot be held unless military service has been completed. This is a security measure from very many points of view. And you know, this measure is being applied in very democratic countries. In the United States, for instance, no citizen was able to become president unless he had done his military service, and he was not very successful if he had not been in the war. Do you remember, Kennedy made a big fuss about having been a frigate commander, and even the current president, Bush, participated in the war. Military training not only strengthens people physically and psychologically, but it also makes them understand their responsibility for defending the country and, when holding important administrative positions, makes them see things from a different angle.

[TINERETUL LIBER] Mr. Minister, within the context in which the Romanian-Soviet Treaty will probably be renegotiated, and in light of the recent message sent by Romania's president to the NATO secretary general, how do you view the future system of Romania's military alliances?

[Spiroiu] Military alliances have never brought us substantial advantages. Military alliances do not bring advantages in general. Therefore, I think that political alliances that are coupled by very positive military relations between armies, with as many armies as possible, and especially with those in geographically close

areas, that is with neighboring armies, are more beneficial. This is what our Army actually did. You know that I met with the ministers of the Danubian countries. With Mr. Stavievici [spelling as published; not further identified] I met somewhat later, because when the vessel crossed the Siret River—there was a lot of speculation, because by sheer coincidence I met him on 16-17 August and on 19 August the Moscow putsch took place. [sentence as published] We did not discuss the putsch; we never said a word about it. There has been a good deal of speculation about this subject but it is unfounded. Thus, I met with all the defense ministers of the Danubian countries, and I also met with ministers and chiefs of staff of the Balkan Peninsula. We held meetings and concluded agreements with defense ministries' representatives of important countries like France, England, Italy, Austria, Greece, and Turkey. Thus, we moved toward a broad opening and availability of our Army and toward positive relations. It may sound paradoxical, but, as I have said before, we have especially positive relations with the Hungarian Army, and with it we have concluded the largest number of cooperation accords, including participation in military exercises by both sides. When the military oath was taken in Hungary, the authorities close to the border invited representatives from our country and, in turn, we invited a [Romanian] Army corps commander to participate in activities in our country on 25 October. As you see, we have this opening and transparency; within the same context, we agreed to the conclusion of an open-sky accord by the Ministry of Foreign Affairs, because on the basis of such positive relations between our armies, we want to discourage extremist tensions in both countries to ensure a relaxed atmosphere. Military relations should be a model for political relations, if you will.

[TINERETUL LIBER] From this vantage, what do you think of the serious conflict in what we call Yugoslavia?

[Spiroiu] From the very beginning I looked upon it with great concern, and I am glad that the chief of the General Staff and its commanders assessed the danger of it correctly. We even drew attention to the danger this conflict represents for peace in the Balkans, during our discussions with the ministers of defense, the military attaches, and army representatives of the United States and England. We emphasized especially the danger of modifying borders, which would be the first modification of borders since 1947, and which could cause a chain reaction—if we consider all the borders that are being discussed—that could turn the Balkans once again into a source for another world war like in 1914. This is why we assessed the series of conflicts in Yugoslavia correctly and took action, so that we will not do anything that would contribute to the escalation of that conflict. We made a point of maintaining positive relations and exchanging information to counteract obvious external attempts to harm relations between Romania and Yugoslavia. I am referring to affirmations that we had exported weapons and to a more recent affirmation that we had delivered ground-to-ground missiles. Even now, we have a government decision on the desk through which I have proposed to prove, if you will, from this legal aspect as well, our country's position and the position of the Romanian Army. As a matter of fact, we earned sympathy through our denials. The Yugoslav news agency expressed thanks for the position of the Romanian Army, which discourages any action aimed at spoiling the very positive relations, the excellent relations, we maintain with Yugoslavia. This is why I follow what is happening in Yugoslavia with concern. We greet any effort aimed at lessening the conflict, and we continue to refrain from doing anything that would escalate events.

Government Rejects Bulgarian Pollution Accusations

AU0711200791 Bucharest ROMPRES in English 1921 GMT 7 Nov 91

[Text] Bucharest ROMPRES, 7/11/1991—Romania's Government has learned about the organization in the evening of November 7, 1991 of the "Eco-Rock" festival as a form of manifesting the Bulgarian public opinion's concern over the ecologic situation in the Ruse-Giurgiu area.

The government notes that it is in fact a groundless propagandistic action taken after the measurements and expertise made by the UNEP [United Nations Environmental Program], which have clearly shown it is a unitary ecologic area with problems on both banks of the Danube. The "festival" seems to be rather an attempt that has involved parliamentarians and other representatives of the central and local authorities who know the situation very well.

In such conditions the credibility is questioned of the signing of the Romanian-Bulgarian intergovernmental convention on collaboration in environmental protection, in an unfriendly atmosphere created through the organization of the "Eco-Rock Festival" that falls within the series of other recent actions which run counter the declaration on relations of good neighbourliness, friendship and collaboration between Romania and Bulgaria signed in Sofia on September 12, 1991.

For such reasons the Romanian Government decided to postpone the signing of the convention as planned, that is on November 8, 1991, till it finds out the Bulgarian side's real intentions.

The Romanian Government is particularly worried about the situation created through the unilateral measures taken by the Bulgarian side all the more so as there are very serious ecologic problems in the border area which must make the object of a serious and responsible approach, with the participation of the international fora apt to back the resolution of such problems.

Fuel Shortage for Electric Grid System Continues

AU0711130491 Bucharest ROMPRES in English 1144 GMT 7 Nov 91

[Text] Bucharest, ROMPRES, 7/11/1991—The problem of the operation of the national electric grid system has

not been solved yet, Mr. Claudiu Savulescu, spokesman for the electricity autonomous unit "Renel", told a "ROMPRES" writer.

So, for instance, on November 4 thermo-electric stations consumed more than 10,000 tons of fuel oil while deliveries on the same day amounted to only 5,500 tons. Pit coal consumption in the Jiu Valley was of 8,300 tons while miners delivered only 4,600 tons. The existing pit coal stock provides for the operation of thermo-electric stations for another 10 days.

Because of the lack of fuel, plants and generator sets accounting for 1,600 MW were closed down. To make up for the arrears in coal supply, "Renel" had to load water power stations with an additional 500 MW or so. The water consumed from storage lakes in the first four days of November is the equivalent of 87 million MW, which adds to the over 500 million MW the hydroelectric plants consumed in October.

The national electric grid system operates with a frequency of 48.8 HZ, the spokesman said in conclusion.

International

EC Ministers Adopt 'Restrictive' Sanctions

AU0811114991 Belgrade Radio Belgrade Network in Serbo-Croatian 1100 GMT 8 Nov 91

[Text] The extraordinary meeting of the Council of the EC Ministers has unanimously adopted a package of restrictive measures against Yugoslavia. Our special correspondent Dragan Petrovic reports from Rome:

[Petrovic] At a news conference, which was held by the chairman of The Hague conference on Yugoslavia, Lord Peter Carrington, and the chairman of the Council of the EC Ministers, Hans van den Broek, it was stated that the package of measures envisages the suspension of the agreement on trade cooperation with Yugoslavia, the exclusion of Yugoslavia from the general list of the countries with preferential trade status, a formal exclusion of Yugoslavia from the program for the reconstruction of the economies of East European countries, the PHARE program, and restrictions on Yugoslav textile exports to the EC.

The Council of Ministers has also decided to ask the Security Council of the United Nations to introduce an embargo on the export of oil to Yugoslavia. In addition to these general measures, the EC has also envisaged some additional restrictive and positive measures that will applied to certain parties to the conflict, depending on whether they support or hinder the peace efforts of the EC. Van den Broek said that the criteria for applying the additional measures will be the behavior of certain sides both in practice and at the negotiating table.

One could conclude from this that the EC is ready to resume the incipient peace process. The continuation will take place after Lord Carrington meets the protagonists in the Yugoslav crisis.

Federal

Kostic Interviewed on Army's Performance

AU0711163591 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 7 Nov 91

["Excerpt" from an "exclusive" interview with Dr. Branko Kostic, vice president of the Presidency, by Dragan Stavljanin; place and date not given—recorded]

[Text] [Kostic] In any case, if it becomes evident that the Croatian armed formations are not prepared to try to resolve our state political crisis in a peaceful way—and the development of events is confirming this more and more day every day since the more readiness we expressed for a truce and for resolving it in a peaceful way, the more aggressive they became—I think that we must draw certain conclusions from this situation. People must finally realize that we are not only talking about the imperilment of the Serbian people in Serbian krajinas on the territory of Croatia, but also about the ideology of the resurrected Nazi fascism, about the resurrected Ustasha ideology which, it is quite certain, can threaten the entire Serbian nation and all peoples in this part of Yugoslavia.

[Stavljanin] There were some specific objections to the fact that the Army has not reacted resolutely enough to protect the Serbian villages that were destroyed in western Slavonia. The Army was also reproached for not anticipating a possible attack on Serbia, which is of course difficult to do. In this context, what is your comment on the statement by Budimir Kosutic, vice president of the Serbian Government, which he made in Sid a few days ago, that the time is coming when the Army leadership should contain younger and more capable men.

[Kostic] I can understand that when he visited the very site of the incident and when he was faced with the destruction and victims, he was in a state of emotional tension and so forth, and said some things that I am sure he does not know sufficiently well, especially about the possibility of involving the Yugoslav People's Army. It is more than clear that the Yugoslav People's Army was in no position at all to be present in these areas in western Slavonia where this exodus happened.

I do not discount the possibility that if there had been a better response to mobilization about one or one and a half months ago, and that, instead of mass abandonment of the front, we had had a better response to the mobilization call, the reinforced Yugoslav People's Army would have been in the position to be present in these areas and offer more effective help to these people.

Therefore, it was not accidental that we made our appeals, our calls, our warnings of the danger that is threatening all of us, our warning that Slavonia is not far away, and that Knin Krajina is not far away, and that all our citizens must be aware that by defending the Serbian people there they are actually defending themselves here in Belgrade, Nis, Leskovac, and so forth.

Bosnia, Croatia Agree on Lifting Road Blockades

LD0711201391 Belgrade TANJUG in English 1419 GMT 7 Nov 91

[Text] Sarajevo, Nov 7 (TANJUG)—The Federal Secretariat for National Defence (SSNO) and the Republic of Croatia will enable safe road transportation between the Yugoslav republics of Bosnia-Hercegovina and Croatia, the Bosnia-Hercegovina Minister for Transport and Communications Tomislav Krsticevic told the journalists today.

Transportation will first be carried out in convoys and will later return to normal.

Krsticevic said that this was only one of the conclusions of the agreement reached between the representatives of the

republics of Bosnia-Hercegovina, Croatia and the Yugoslav People's Army. He added that the talks on lifting the blockade off transportation and its gradual normalization would be continued.

Minister Krsticevic also said that Bosnia-Hercegovina and the SSNO would try to normalize as much as possible the functioning of the Croatian port Ploce, which is under the siege of the army and is of vital importance for supplying Bosnia-Hercegovina's economy with raw materials.

Krsticevic also said that Croatia and Bosnia-Hercegovina have agreed that the takeover of railway trains would increase from 8 to 12 wagons in 24 hours at the railway station Vrpolje in Croatia.

War operations in the Yugoslav Republic of Croatia still hamper transportation on the central international Yugoslav highway Belgrade-Zagreb (E70).

As the Automobile Association of Yugoslavia announced today, transportation on this highway is interrupted between Kutina and Nova Gradiska.

Transportation is also difficult or interrupted on a great number of roads in Slavonija, Banija, Kordun, Lika and Dalmatia, as well as on parts of the Adriatiac highway near Zadar and Dubrovnik.

Nearly all roads are closed down around these cities.

Transportation is also blocked between Bosnia-Hercegovina and Croatia because of the blown-up or damaged bridges.

Cargo vehicles wait two hours to enter and four hours to exit Yugoslavia at the Horgos border crossing with Hungary, while passenger vehicles pass without waiting. In Kelebija, the neighboring border crossing, cargo vehicles wait 6 hours to enter Yugoslavia and 8 hours to exit it, while passenger vehicles wait 60 minutes in both directions.

At the border crossing with Romania, Djerdap, vehicles have to wait 30 to 45 minutes to enter Yugoslavia.

There are no major hold-ups on other border crossings.

Slovenia

Government Reviews Work in Past 500 Days

LD0711230691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1938 GMT 7 Nov 91

[Excerpts] Ljubljana, 7 Nov (TANJUG)—After several cancellations, the government of Slovenia today held a session at which Prime Minister Lojze Peterle assessed the work of the republican Executive Council during the past year and a half. Exceptionally, the session was held at the old castle Bogensperk at the invitation of the municipality of Litija near Ljubljana.

Referring to the past 500 days of the work of the Slovenian Government, Loze Peterle said that during this period the government prepared the basis on which Slovenia can function as a state. "Only through independence have we managed to obtain the main instruments with which to lead an independent policy. The world is now watching to see whether we are capable of implementing them," Peterle emphasized. He added that much work still has to be done, considering that only a few foundations had been established so far.

According to Peterle, the government merits are reflected in the successes such as the departure of the Yugoslav People's Army from Slovenia, that Slovenia is now known in the world, and that one can travel on a Slovene passport around half of Europe. Considerable progress has been achieved in the restructuring of the economy in the fields in which the government intervened on the basis of well thought out criteria and the elaboration of an economic and social plan. A system of social policy and the unburdening of the economy has been developed and new currency has been prepared. The structure of enterprises has considerably improved for the benefit of smaller businesses.

In spite of the blockades, supplies have not been disrupted, successful steps have been made in the energy field, and the construction of roads and infrastructure such as the Karavanke tunnel and the border crossing at Sentilj. The situation in the legislative field has also been partially settled. The law on health, social protection, and pensions approaches European standards, he said. [passage omitted]

The republican Executive Council also adopted its stand in connection with the stands adopted by the Federal Executive Council on the decision of the Assembly of the Republic of Slovenia to proclaim the autonomy and independence of Slovenia. The Slovenian Government considers the conclusions of the Federal Executive Council of 9 October 1991 to be a direct threat to the independence and territorial integrity of the Republic of Slovenia and an attempt to interfere in its internal affairs.

The Republic of Slovenia has several times offered to other republics and organs of the former federation the possibility of solving the questions connected with the disassociation of the Yugoslav republics in an agreed manner, the conclusions of the Republican Executive Council of Slovenia state. "The conclusions of the remainder of the Belgrade government only represent a continuation of the present practice and again show the inability and unpreparedness of the organs of the former federation to face reality and to resolve the Yugoslav crisis." As stipulated in the government stand, the Republic of Slovenia will undertake all necessary measures to prevent the aims contained in the conclusions of the Federal Executive Council on 9 October.

Croatia

Republic Appeals to NATO To Stop 'Aggressors'

LD0711190391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1812 GMT 7 Nov 91

[Text] Zagreb, 7 Nov (TANJUG)—The Croatian Assembly this evening accepted a "Resolution on the War Against Croatia and the Need for International Intervention for Peace in Croatia," and sent it to parliaments and governments of the world as well as to the NATO Pact meeting in Rome tomorrow.

The document stresses that "the republics of Serbia and Montenegro, as well as the so-called Yugoslav Peoples' Army (YPA), carried out in Belgrade a coup d'etat and military putsch," which, in the assessment of the Croatian Assembly, "takes any legitimacy away from the federal organs and representative offices of Yugoslavia in the world and from foreign representative offices in Belgrade." In the resolution a request is made, among other things, of the parliaments of the world and NATO to "send forces which will prevent the aggressor."

The resolution ends with a call for the recognition of the Republic of Croatia as a sovereign, autonomous, independent state with a status as an international subject. In this way, the resolution says, "peace will be restored to this area."

Greguric Assesses Conflict, International Position

LD0711124491 Zagreb Radio Croatia Network in Serbo-Croatian 1030 GMT 7 Nov 91

[Text] Following a one-hour debate at the joint session of all three chambers of the Croatian Assembly, delegates have agreed on an agenda. A debate is under way on the first point of the agenda: the situation in the Republic of Croatia after 8 October and the republic's international position.

In his introductory report, Franjo Greguric, president of the Croatian Government, singled out as his government's main tasks the need to contribute to the peaceful resolution of the Yugoslav crisis, to demand through the offices of the peace conference the withdrawal of the former Yugoslav Army from Croatian territories by 10 November, to strengthen the armed forces, to draw up the concept and strategy of economic development, to draw up the method of enabling refugees and exiles to return as soon as possible, to ensure respect for human rights and the rights of minorities in line with international conventions, and to submit to the international community a request to determine compensation for war damages.

He was followed on the rostrum by Dr. Zvonimir Separovic, foreign minister of the Republic of Croatia.

Veselica Discusses War Economy, Developments

LD0811093991 Budapest Kossuth Radio Network in Hungarian 1730 GMT 7 Nov 91

[Interview with Croatian Economic Affairs Minister Vladimir Veselica by correspondent Gyorgyi Orban in Zagreb; date not given; Veselica speaks in Serbo-Croatian with superimposed Hungarian translation—recorded]

[Text] [Orban] Is there a war economy in Croatia?

[Veselica] There is a war, but we have not switched entirely over to war production, only in part. For example, in Sibenik, the aluminium industry processor has been completely destroyed; 5,000 employees have been left without work. The industries of Vukovar and Osijek have also collapsed. To date, economic losses exceed $10 billion, and this does not include damage to cultural institutions.

I also have to say that Croatia is under blockade. Air traffic is halted. There is only partial rail and road traffic. The loss to the economy could reach $25 billion by the end of the year. This is equal to one year's national income.

Nonetheless, we have begun preparations for financial reform. We were compelled to take steps because Croatian assets on Serbian territory have been confiscated. Croatia is working out its own system. The temporary currency will be the Croatian Dinar; this is expected for the beginning of next year. Then, we will create the Croatian crown [korona].

If the war is prolonged, it will be necessary to introduce restrictions, which also means that wartime personal incomes will be established in the case of people who are employed—that is 40 percent of pay will be siphoned off. However, we are not yet at the point of a war economy.

[Orban] How many unemployed are there in the almost 5-million-strong Croatia?

[Veselica] In midsummer, there were 130,000. There is an especially large number of young people among them. However, this figure could reach 250,000 by the end of the year.

[Orban] What kind of future relations do you wish to shape with the other republics?

[Veselica] On the basis of equality and mutual interests, we are able to cooperate with everyone, including Serbia, and we are willing to hold talks on dividing up the foreign debts of one-time Yugoslavia. The country's debts amount to $22 billion. Out of this, $2.5 billion falls on the Croats, and we are ready to repay this sum immediately.

General Biorcevic Says 'Vukovar Must Fall'

LD0711182891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1654 GMT 7 Nov 91

[Text] Borovo Naselje, 7 Nov (TANJUG)—"Vukovar must fall, and it is only a question of the moment when

this will happen. The forces of the Novi Sad Corps, which are successfully liberating parts of neighboring Borovo Naselje, will contribute greatly to this," Major General Andrija Biorcevic stated to journalists today in his command center.

The general pointed out that Croatian paramilitary formations have not respected the cease-fire this time, either, and that they are putting up fanatical resistance and pulling no punches, but that they are in a hopeless situation. He stressed that the Yugoslav Peoples' Army (YPA), volunteers, and members of the Territorial Defense in Vukovar are fighting "against the greatest fascists the world has ever seen. But their resistance will rapidly be broken."

Following yesterday's cutting of communications between Vukovar and Borovo Naselje, units of the YPA fought their way to the Danube and linked up with forces that have surrounded Vukovar from other sides. It remains to liberate the greatest and best fortified hillside in this town, Milovo Brdo—in other words the section around the River Vuka, with a diameter of about 300 meters. Effective actions by the Air Force and the River Fleet have made a significant contribution to the success of the action of the Novi Sad Corps.

"We reckon that the impending liberation of Vukovar would smooth the way for the crushing of resistance in Borovo Naselje, something which would again contribute to the growth in the reputation of, and trust of the people in, the YPA," Major General Andrija Biorcevic concluded.

Army Appeals to Citizens of Dubrovnik

LD0711145891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1229 GMT 7 Nov 91

[Text] Herceg-Novi, 7 Nov (TANJUG)—Citizens of Dubrovnik, make it possible for units of the Yugoslav Peoples' Army [YPA] to carry out in a peaceful and legally recognized way the disarming of paramilitary formations and armed political extremists, and restore to the town peace and a normal life for all people in the area.

This is stressed in an appeal which the headquarters of the Boka Naval Sector has made to the citizens of Dubrovnik.

The appeal goes on to say: YPA combat units will not enter the town, and not one honorable citizen of Dubrovnik will be treated other than as befits that person on the basis of his culture and traditions.

Let Cavtat serve as an example for you and as confirmation that the YPA is not operating against its own population, except in cases in which your houses and your lives are sacrificed for the purpose of extremists who are using you for their own dirty ends.

Respected and historically valued city, esteemed residents of Dubrovnik, do not permit yourselves to be shamed before history because of the actions of an extremist policy, and likewise do not permit our children to be ashamed of our actions, the YPA appeal to the citizens of Dubrovnik stresses in conclusion.

Army, Croatia Sign Prisoner Exchange Agreement

LD0711182991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1559 GMT 7 Nov 91

[Text] Zagreb, 7 Nov, (TANJUG)—The agreement signed by the Croatian Government and the Yugoslav People's Army in Zagreb this morning on exchanging captives in the armed conflicts in Croatia, and related matters, is certainly one of the most significant news items today. TANJUG immediately transmitted this news, but given the importance of this document, TANJUG also managed to obtain it, so now we can transmit it in its entirety.

The text of the agreement is as follows:

"After rearticulating their standpoints the government of the Republic of Croatia, represented by Deputy Defense Minister Ivan Milas, and the SFRY Armed Forces, represented by Colonel General Andrija Raseta, have reached the following agreement on exchanging captives, that is, individuals who have been taken hostage in the course of the armed conflicts in Croatia and any events relating to these conflicts along the following lines:

1. Both parties mutually agree to exchange all their captives—that is, individuals taken hostage—by adhering to the all-for-all principle.

2. The term "captive" encompasses all persons who have been taken hostage, imprisoned, remanded, or who have been staying in prisoner camps, regardless of whether criminal or other charges have been brought against them, regardless of whether criminal or other proceedings have been set in motion, regardless of whether their sentences have legally come in effect or not, and regardless of the location of their capture, losing their freedom of movement, or of their captivity as hostages.

3. Both parties will present each other with the lists of all their captives, stating the exact location where their captives are being kept in detention, while copies of these lists will be handed by both parties to a representative of the International Red Cross.

4. The signatories to this document agree to carry out the exchange of their captives immediately after the International Red Cross have registered and visited them in line with any particular requirement of the International Red Cross.

5. The signatories to the agreement will regard a list of captives as relevant once it has been registered with the International Red Cross.

6. The signatories to the document have agreed that not a single captive must be handed back against his own will and that every captive will be able to convey his will freely to a representative of the International Red Cross.

7. The signatories to the agreement are obliged not to exercise any form of pressure on captives such as talking them into agreeing to, or refusing, their return.

8. The signatories to the document have formally vowed that they will not take any repressive action against the captives who have refused to go back or against their families.

9. The signatories to the agreement agree to exchange captives in the presence of EC observers.

10. The signatories to the agreement will immediately start exchanging their lists of captives and appoint authorized individuals, who will carry out the exchange, within the next two days.

11. The signatories are obliged to immediately place all captives under the protection of the International Red Cross and to subject their standards and requirements of treating and accomodating captives to those of the International Red Cross.

12. The individuals authorized under item 10 of this agreement will clarify any unresolved issues arising in the implementation of this agreement.

13. In the event of a dispute over the interpretation and implementation of this agreement, the authority of the International Committee of the Red Cross is guaranteed.

[Signed] Croatian Deputy Defense Minister Ivan Milas
Colonel General Andrija Raseta
Ambassador Dirk-Jan van Houten
[Dated] Zagreb, 6 November 1991

Vukovar City Defense Imposes Information Blackout

LD0711142191 Zagreb Radio Croatia Network in English 1305 GMT 7 Nov 91

[Text] The Vukovar City Defense gave the following announcement to be aired on all media.

We quote: Due to the vital interests of the city of heroes, we have decided to impose a complete information blockade for an undetermined period. We would like to thank all our friends who have objectively recorded events here, thereby helping Vukovar and ask for their understanding.

[Signed] Vukovar City Defense.

Maritime Blockade Imposed on Dubrovnik Ports

LD0811110191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1003 GMT 8 Nov 91

[Text] Belgrade, 8 Nov (TANJUG)—The public information department of the Naval District Headquarters today issued the following statement:

"A complete naval blockade of the ports of Rijeka, Zadar, Sibenik, Split, Ploce, and Dubrovnik is being established. The blockade is being implemented by ships of the Yugoslav Navy. Any violation of the blockade will be resolved by the military use of naval forces.

"The blockade will be applied from 0900 GMT on 8 November this year.

"These measures have been taken because the authorities of the Republic of Croatia and its armed formations have failed to lift the blockade of facilities and barracks in garrisons on the coast, nor have they allowed members of the Yugoslav Peoples' Army, military pensioners, and members of their families the basic conditions for life and personal and material safety, as set out in the Hague agreement.

"At the same time we inform the Yugoslav and world public that, despite the ban on the import of arms to Yugoslavia, the large-scale arming of various armed formations of the Republic of Croatia is continuing," says the statement of the information department of the Naval District Headquarters.

Serbia

Captain Dragan Explains Defense Ministry Role

AU0711200091 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 7 Nov 91

[Text] At an extremely well-attended news conference in the international press center in Belgrade, journalists were addressed by Captain Dragan. The reason for the meeting was to give information on his foundation but there was much more talk about military issues. Regarding the foundation, it was said that it is functioning successfully and that more than 150 experts are helping wounded fighters and the families of war casualties. Aid is, of course, both material and financial. Nebojsa Spajic has a report from the news conference:

[Spajic] Journalists were most interested in Dragan's new role in Serbia's Defense Ministry. He replied that in collaboration with this ministry and the Ministry of Internal Affairs, he is preparing the training of officers. He particularly stressed that a team of specialists already exists in the Defense Ministry which is exceptionally well trained—many of the members have been trained abroad—and whose expertise is at the same level as that of similar units abroad. Do you think that I did all this myself?, Dragan asked.

On several occasions he expressed his immense gratitude to the Internal Affairs Ministry and stressed that the public may only have heard of Radmilo Bogdanovic [former Serbian internal affairs minister], who was involved in the 9 March demonstrations, but Dragan knows him as an exceptionally efficient expert.

Journalists were interested in whether Dragan's new role was connected with the formation of a professional Serbian army. He replied that he is actually advocating this because the concept of an armed people means that soldiers are motivated by fear or hatred, which leads to them abandoning their positions or committing massacre. A professional army would most efficiently carry out the tasks which it should do without unnecessary casualties.

On several occasions, Dragan stressed that it is essential to fully support the Yugoslav People's Army because it is the only guarantee in the struggle against the Ustasha and for the defense of Serbia. He also said that Croatia is arming itself with the most up-to-date technology through Austria and Germany and that the situation on the battlefield where the Yugoslav People's Army is at an advantage at the moment could therefore quickly change.

He called the EC the embryo of a Fourth Reich and said, although he tried several times to avoid giving his opinion on political issues, that if international actions are already necessary for the Yugoslav crisis, they could only come from the United Nations.

At the news conference Dragan lifted some of the secrecy surrounding his personality. He said that he was born in Belgrade and grew up in an orphanage. He said that his teacher Ljubinka Zikic is now the first operations [word indistinct] of the Captain Dragan fund.

Bosnia-Hercegovina

Izetbegovic, Parties Condemn Serbian Referendum

AU0711220391 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 7 Nov 91

[Text] Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina, held a meeting today with representatives of parliamentary parties. The Hague and the announced plebiscite of the Serbian people in Bosnia-Hercegovina were the subjects under discussion. Nada Rajkovic reports:

[Begin recording] [Rajkovic] Apart from the Serbian Democratic Party, today's meeting was attended by representatives of all parliamentary parties who expressed concern at the violation of the cease-fire and the increasingly clear possibility of sanctions being imposed against Yugoslavia. Many questions were asked in this connection: What will the government of Bosnia-Hercegovina do in this case?

Since he had already presented his view of The Hague conference in the press, Alija Izetbegovic warned that all parts of Yugoslavia would be hit regardless of the selectivity that is being planned if sanctions are imposed. He also informed those present that the Presidency and Assembly are preparing proposed measures for preempting negative consequences. However, he today expressed his fear that the continuing war in Croatia would be transferred into Bosnia and added:

[Izetbegovic] We simply have an almost deliberate (?spreading) of the conflict into Bosnia-Hercegovina despite all efforts to preserve some kind of bitter and cold peace. (?It seems that) these efforts will not finally end in success. I fear that things will get to the point where it will no longer be possible [words indistinct] we will have to respond, the state will in some way respond to the challenges that are being posed every day. So, the conflict is near, and to tell you the truth I do not know what will happen.

[Rajkovic] Fear of a further confrontation in Bosnia-Hercegovina was expressed during the discussion on the second item on the agenda concerning the announced referendum among the Serbian people. The Croatian Democratic Community presented the stands of the Constitutional Court of Bosnia-Hercegovina which say that the decision on the plebiscite is illegal and has no legal foundation.

The Alliance of Reform Forces of Yugoslavia for Bosnia-Hercegovina stressed that it will remain neutral about the issue of the plebiscite because it thinks that the partners in power should resolve their disagreements themselves. The Liberal Party thought that in these virtual wartime conditions, the results of any referendum would not be democratic and the Socialist Democratic Party thought that the behavior of the ethnic parties had led to the plebiscite among only one nation. The Democratic Socialist Party is also in principle against single-nationality ballots, as is the Muslim Bosniak Organization.

Therefore, out of the eight parliamentary parties present only the Serbian Renewal Movements was in favor of the plebiscite being held. However, in the discussion on a joint statement from today's meeting, it was shown that even though they are against a referendum among only one people, they are against it for different reasons. [end recording]

A statement arrived this evening from this meeting, which says that representatives of the parliamentary parties have assessed that the upcoming referendum that is being organized and carried out by the SDS of Bosnia-Hercegovina could intensify interethnic conflicts even more. They have agreed to call on citizens not to take part in this kind of vote. The Serbian Renewal Movement did not agree with this stand and representatives of the Alliance of Reform Forces and the Liberal Party will announce their stand on the plebiscite later.

Muslims Criticize Izetbegovic's Hague Conduct

AU0811115791 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2100 GMT 8 Nov 91

[Text] At its news conference today, the Muslim Bosniak Organization [MBO] stressed that the suspension of the conference in The Hague and the postponement of the political resolution of the crisis, as well as the insufficiently clear and resolute stand by the delegation of Bosnia-Hercegovina in the Hague on the status and organization of the republic, suit the solutions that are being introduced in Bosnia-Hercegovina in an unconstitutional and illegal way. This refers in particular to the proclamation of the so-called Serbian autonomous regions and the plebiscite of the Serbian people organized by the Serbian Democratic Party.

In connection with this, Muhamed Filipovic, vice president of the Muslim Bosniak Organization, wondered whether [Bosnian President] Alija Izetbegovic was conducting a policy that would place the Muslims in a situation in which they will have to say that division is better than war.

The participants in the news conference also said that the young men who do not want to go to the war can be granted six month of asylum in Vienna, Bern, and Bonn. All those who are threatened with punishment because they do not want to go to war will receive free legal advice in Vienna.

SDS Holds 'For Yugoslavia' Rally in Sarajevo

AU0711204991 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 7 Nov 91

[Text] The Serbian Democratic Party [SDS] of Bosnia-Hercegovina is organizing a rally in Sarajevo this evening entitled: For Yugoslavia. Envera Selimovic reports from Zetra Hall:

[Selimovic] I wish the listeners of the evening news program of Sarajevo Radio's First Channel a good evening. The meeting for Yugoslavia began with a half-hour delay in Sarajevo's Zetra Hall and is organized by what were called Yugoslav-oriented parties. The organizers of the rally say that the aim of the meeting is for the citizens of Sarajevo to give full support for Bosnia-Hercegovina to remain in a common state of Yugoslavia, with all others who so desire, as an equal member.

The meeting is being held with Yugoslav symbols and the flag of the SDS, but without the flag of Bosnia-Hercegovina. [Word indistinct] in one state; Traitors of Yugoslavia, you will be punished; Rise up, Serbs, rise up; Do not give up your own. These are some of the banners that can be seen here in the Zetra Hall. Attention was drawn to a guest wearing a traditional Serbian black fur hat with a badge that could be seen from a long way off.

Radovan Karadzic, leader of the SDS, and his entourage were welcomed in the half-full hall, with shouts of Serbia, Serbia. The rally began with playing the Hey, Slavs anthem, and those present were welcomed by Djovo Jovanovic, president of the Sarajevo city committee of the SDS.

Loudly greeted, Momcilo Krajisnik was the first to speak. He was introduced as the president of the Serbian Assembly. We think that the decision on who to live with can only be made by the people in a plebiscite. The will of the people is the (?oldest) and we are in a war that is being waged according to an established recipe for the third time, Krajisnik said.

Bosnia-Hercegovina is full of refugees who the SDA [Party of Democratic Action] and the HDZ [Croatian Democratic Community] do not want to known about. When Krajisnik mentioned these two parties there were shouts of Ustashas, Ustashas.

We will fight with all means to live in one state, Krajisnik stressed further. We will not challenge the right of those who want to live separately. We are not voting against others. By voting for a common state, we are creating a firm foundation for negotiation. We can talk about anything except the disappearance of the fatherland, Krajisnik said, calling for people to go to the polling stations and cast a positive vote.

Momcilo Krajisnik concluded his speech with the words: May our new state be happy and long lasting, which was accompanied by chants from the hall of Serbia, Serbia.

Having [word indistinct] Genscher, van den Broek, and The Hague, Dragan Djokanovic, president of the Party of Federalists, said that we cannot accept ultimatums. He added that the Banja Luka corps is the only thing stopping Bosnia-Hercegovina becoming part of Croatia. He ended his speech with: Here is to the new state.

Apart from the representative from the Party of Federalists, the meeting was also attended by the president of the Socialist Party of Bosnia-Hercegovina. In the meantime, Biljana Dokmanovic, a refugee from Papuk, and Nikola Koljevic, member of the Bosnia-Hercegovina Presidency, have spoken. I should also say that Biljana Plavsic, member of the Presidency, and Dragan Kalinic are also present.

The meeting for Yugoslavia in the Sarajevo Zetra Hall is proceeding without incident.

Hercegovina Autonomous Region Elects Government

LD0811001591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1731 GMT 7 Nov 91

[Text] Trebinje, 7 Nov (TANJUG)—The Assembly of the Serbian Autonomous Region of Hercegovina today elected the first regional government, as follows:

Prime Minister: Milorad Bojovic, a lawyer

Deputy Prime Minister: Branko Simic

Minister of Internal Affairs: Krsto Savic

Acting Defense Minister: Milorad Vujovic

Minister of Information: Milorad Vucelic, director RTV Novi Sad

Minister of Culture, Education, and Religious Affairs: Rajko Petrov Nogo, a writer

Minister of Power, Mining and Water Supply: Kostadin Jegdic, an engineer

Minister of Agriculture: Janko Milojevic, an agronomist

Taking part in the assembly session, Velibor Ostojic, minister of information of Bosnia-Hercegovina, especially emphasized that the regionalization did not mean a breakup of Bosnia-Hercegovina, but a way of enabling the parts of Yugoslavia that wish to remain in Yugoslavia to attain statehood.